

The Commercial & Financial Chronicle

INCLUDING

Bank & Quotation Section
Railway Earnings Section

Railway & Industrial Section
Bankers' Convention Section

Electric Railway Section
State and City Section

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NEW YORK, OCTOBER 20 1917.

NO. 2730.

Financial**THE FARMERS' LOAN & TRUST COMPANY**

Foreign Exchange, Cable Transfers,
Travelers' Letters of Credit

The Company is a legal depository for moneys paid into Court, and is authorized to act as Executor, Administrator, Trustee, Guardian, Receiver, and in all other fiduciary capacities.

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AND OTHER CHOICE
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Capital - - - - - \$5,000,000 00

Surplus & Undivided Profits - - - 17,000,000 00

Deposits (Sept. 11, 1917) - - - 174,000,000 00

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of the City of New York

Capital - - - - - \$6,000,000

Surplus and Profits - - - \$9,000,000

Deposits Sept. 11, 1917 - - \$187,000,000

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LIGHT AND POWER COMPANIES

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OF NEW YORK

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Surplus & Profits 4,000,000.00

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United States Depository

Capital - - - - - \$10,000,000

Surplus and Profits (Earned) - - - 12,623,000

Deposits, Sept 11th 1917 - - - 302,027,000

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Cable Transfers.**MUNROE & CO., Paris****Maitland, Coppel & Co.**52 WILLIAM STREET
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Surplus and Undivided Profits 1,000,000

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Bears 4% InterestFree from the Normal Federal Income Tax and
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Demands**

that you do not neglect
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BANK OF MONTREAL

(Established 1817)

CAPITAL paid up - - - \$16,000,000
REST, - - - - - 16,000,000
TOTAL ASSETS - - - \$386,806,887

Head Office—Montreal
SIR VINCENT MEREDITH, Bart., President.
Sir Frederick Williams-Taylor,
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Established in 1836
Incorporated by Royal Charter in 1840
New York Agency opened 1843
Paid-up Capital - - - £1,000,000 Sterling
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PAID-UP CAPITAL - - - \$15,000,000
REST - - - - - \$13,500,000

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General Manager: Sir John Aird.
Assistant General Manager: H. V. F. Jones.

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The Bank of Scotland,
Lloyd's Bank, Limited.

THE BANK OF NOVA SCOTIA

(Incorporated 1832)

PAID-UP CAPITAL - - - \$6,500,000
RESERVE FUND - - - - - 12,000,000
TOTAL ASSETS OVER - - - 110,000,000

Head Office, Halifax, N. S.
General Manager's Office, Toronto, Ont.
190 branches throughout Canada, Newfoundland, Cuba, Jamaica, Porto Rico, and in Boston, Chicago and New York. Commercial and Travelers' Credits issued, available in all parts of the world. Bills on Canada or West Indian points favorably negotiated or collected by our branches in the United States. Correspondence solicited.

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Established 1869

Capital Paid Up - - - \$12,911,700
Reserve Funds - - - - - \$14,324,000
Total Assets - - - - - \$300,000,000

Head Office - - - Montreal
SIR HERBERT S. HOLT, E. L. PEASE,
President Vice-Pres. & Man. Director
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Correspondence Solicited

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SOUTHERN INVESTMENT SECURITIES
MONTGOMERY, ALA.

Foreign

AUSTRALIA & NEW ZEALAND BANK OF NEW SOUTH WALES

(ESTABLISHED 1817.)

Paid up Capital.....	\$19,474,900
Reserve Fund.....	14,000,000
Reserve Liability of Proprietors.....	19,474,900
	\$52,949,800

Aggregate Assets 31st Mar. 1917...\$287,130,043
J. RUSSELL FRENCH, General Manager

337 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London.

The Bank transacts every description of Australian Banking Business.

Wool and other Produce Credits arranged.

Head Office London Office
GEORGE STREET 29, THREADNEEDLE STREET, E. C.

THE UNION BANK OF AUSTRALIA Limited

Established 1837 Incorporated 1880

Capital—	
Authorized and Issued.....	£6,000,000
Paid-up Capital £2,000,000 To—	
Reserve Fund.....	£3,980,000
Reserve Liability of Proprietors.....	£4,000,000

Total Capital and Reserves.....£7,980,000

The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA and 44 in NEW ZEALAND.

Head Office : 71 CORNHILL, LONDON, E. C.
Manager—A. C. Willis,
Assistant Manager—W. J. Essame.

The CAPITAL & COUNTIES BANK LTD.

Established 1834

Head Office: 39 Threadneedle Street, London, England.

Subscribed Capital.....	\$43,750,000
Deposit & Current Accts., 30-6-16.....	\$241,722,285
Paid-up Capital.....	\$8,750,000
Reserve Fund.....	\$4,000,000

(5 dollars equal £1)

This Bank has upwards of 500 Offices in England, Wales and Channel Islands.

Every kind of Banking Business transacted.

THE FOREIGN EXCHANGE DEPARTMENT Issues Currency Drafts on all Cities. Letters of Credit and Circular Notes payable throughout the World. Mail and Telegraphic Transfers. Approved Freight Bills purchased. Commercial Credits established available anywhere, against usual shipping documents. Shipowners' Freight Remittances and Disbursements to all parts.

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The Bank acts as Agent for American Banks and Trust Companies and Invites Correspondence.

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Established 1830

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Capital fully paid up and Reserves £2,500,209

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BANKERS

GUATEMALA,

Central America

Cable Address: "Clermont"

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ZURICH (Switzerland)

Founded 1755.

Capital Paid up and Reserve Fund.....Fr. 45,000,000

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Drafts and Letters of Credit issued.

Telegraphic Transfers effected.

Booking and Travel Department.

THE LONDON CITY & MIDLAND BANK LIMITED

Head Office:

5, THREADNEEDLE STREET, LONDON, E. C. 2

Foreign Branch Office:

1, FINCH LANE, LONDON, E. C. 3

Subscribed Capital -	(\$5=£1) \$114,739,020
Paid-up Capital -	\$23,903,960
Reserve Fund -	\$20,000,000

Deposits -	\$966,110,435
Reserves -	\$241,454,680
Bills of Exchange -	\$111,760,185

This Bank has Branches in all the Camps where American Troops are stationed in England.

Sir EDWARD H. HOLDEN, Bart., Chairman.

The Union Discount Co. of London, Limited

39 CORNHILL.

Telegraphic Address, Udisco, London.

Capital Authorized.....	\$10,000,000
Capital Subscribed.....	8,500,000
Capital Paid-Up.....	4,250,000
Reserve Fund.....	4,000,000

\$5=£1 STERLING.

NOTICE IS HEREBY GIVEN that the RATES OF INTEREST allowed for money on deposit are as follows:

At Call 4 Per Cent.

At 3 to 7 Days' Notice, 4 1/4 Per Cent.

The Company discounts approved bank and mercantile acceptances, receives money on deposit at rates advertised from time to time, and grants loans on approved negotiable securities.

CHRISTOPHER R. NUGENT, Manager.

LONDON COUNTY & WESTMINSTER BANK LIMITED

Subscribed Capital £14,000,000, In 700,000 Shares of £20 each.

Paid-up Capital - £3,500,000

Reserve - £4,000,000

HEAD OFFICE

41, Lothbury, London, E. C. 2.

MADRID BRANCH

CALLE DE ALCALA 43.

PARIS

London County & Westminster Bank (Paris) Limited
22, Place Vendome

NATIONAL BANK of EGYPT

Head Office—Cairo.

Established under Egyptian Law June, 1898, with the exclusive right to issue Notes payable at sight to bearer.

Capital, fully paid.....	£3,000,000
Reserve Fund.....	£1,331,350

LONDON AGENCY

6 AND 7 KING WILLIAM ST., LONDON, E. C.

The National Discount Company, Limited

35 CORNHILL LONDON, E. C.

Cable Address—Natdis, London.

Subscribed Capital.....	\$21,166,625
Paid-up Capital.....	4,233,325
Reserve Fund.....	2,250,000

(\$5=£1 STERLING.)

NOTICE IS HEREBY GIVEN that the RATES OF INTEREST allowed for money on deposit are as follows:

At Call 4 Per Cent Per Annum.

At 3 to 7 or 14 Days' Notice, 4 1/4 Per Cent.

Approved bank and mercantile bills discounted. Money received on deposit at rates advertised from time to time and for fixed periods upon specially agreed terms.

Loans granted on approved negotiable securities.

PHILIP HAROLD WADE, Manager.

THE UNION OF LONDON & SMITHS BANK LIMITED

HEAD OFFICE

2 PRINCES ST., LONDON, ENGLAND

Authorized Capital.....	Sterling. £25,000,000
Subscribed Capital.....	£22,934,100
Paid Up Capital.....	£3,554,785
Reserve Fund.....	£1,150,000
Deposits and Current Accounts, December 31, 1916.....	£55,231,863

SIR FELIX SCHUSTER, Bart., Governor
LINDSAY ERIC SMITH, Deputy Governor

General Managers

H. H. HART (Town and Foreign)

L. E. THOMAS (Country)

Secretary H. R. HOARE

BARCLAY & COMPANY LIMITED

HEAD OFFICE

54, Lombard St., London, E. C.

Nominal Capital.....	£13,500,000
Capital Subscribed.....	£12,679,440
Paid Up Capital.....	£4,594,443
Reserve Fund.....	£2,200,000

800 BRANCHES IN GREAT BRITAIN

FOREIGN EXCHANGE DEPARTMENT

54, Lombard Street, London, E. C.

MANAGER - W. O. Stevenson

BANCA COMMERCIALE ITALIANA

Head Office MILAN

Paid-up Capital.....	\$31,200,000
Reserve Funds.....	\$11,640,000

London Office, 1 OLD BROAD STREET, E. C.
Manager: E. Consolo.

West End Agency and London Office of the Italian State Railways, 12 Waterloo Place, Regent St., S. W.

Correspondents to the Italian Treasury.

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Buenos Ayres, Rio de Janeiro, San Paulo, Santos, &c. Societa Commerciale d'Oriente, Tripoli.

Hong Kong & Shanghai BANKING CORPORATION

Paid-up Capital (Hong Kong Currency).....	\$15,000,000
Reserve Fund (In Gold.....\$15,000,000)	\$33,500,000
Reserve Fund (In Silver.....18,500,000)	

Reserve Liabilities of Proprietors.....15,000,000

GRANT DRAFTS, ISSUE LETTERS OF CREDIT, NEGOTIATE OR COLLECT BILLS PAYABLE IN CHINA, JAPAN, PHILIPPINES, STRAITS SETTLEMENTS, INDIA.

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ARGENTINA CHILE URUGUAY

FRANCE: Paris

SPAIN: Madrid, Bilbao, Barcelona

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and
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Comptoir National d'Escompte de Paris

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Reserve Fund.....Frs. 42,000,000
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(Bankers to the Governments of the Colonies of
the Gambia, Sierra Leone, Gold Coast & Nigeria.)

Head office 17-18 Leadenhall Street,
LONDON, E. C.

Authorized Capital.....\$10,000,000
Subscribed Capital.....7,000,000
Paid Up Capital.....2,800,000
Reserve Fund.....1,100,000
\$5 equal £1.

The Bank has Branches in Liverpool, Manchester
and all the principal towns in West Africa,
Canary Islands and Morocco, and is prepared to
transact every description of Banking Business
with those places.

New York Agency, 6 Wall Street

Banca Italiana Di Sconto

with which are incorporated the
Societa Bancaria Italiana
and the

Societa Italiana di Credito Provinciale

Subscribed Capital.....Lire 115 millions
Paid-up Capital.....90
Deposits and Current Ac-
counts (31st Dec. 1916).....685
Cash in hand and with the
Bank (31st Dec. 1916).....49

Central Management and Head Office: ROME
Special Letters of Credit Branch,
20 Piazza di Spagna—Rome

BRANCHES at: Genoa, Milan, Naples, Pa-
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Surplus & Undivided Profits.....\$4,598,000

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China	Panama
Japan	Colombia
Philippine Islands	Santo Domingo
London	San Francisco

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Head Office

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Capital £1,500,000. Paid up £562,500.
Reserve Fund £600,000.

Branches in India, Burma, Ceylon, Straits
Settlements, Federated Malay States, China,
and Mauritius.

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HEAD OFFICE, LONDON, E. C.

Paid-up Capital...£1,548,525 or \$7,742,625
Reserve Fund.....£2,000,000 or \$10,000,000
Total Resources.....£35,066,998 or \$175,334,990

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Capital (fully paid).....Fcs.250,000,000
Reserve fund.....Fcs.175,000,000

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London West End Office, 4 Cockspur St., S.W.1
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Africa, Uganda and at Aden and Zanzibar.

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Paid-up Capital.....£1,000,000
Reserve Fund.....£1,200,000

The Bank conducts every description of banking
and exchange business.

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Established 1834.

Incorporated in New South Wales.

Paid-Up Capital.....£2,000,000
Reserve Fund and Undivided Profits 1,940,000
Reserve Liability of Proprietors.....2,009,000

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Second Avenue 6% Rec. Cfts.
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Wichita Falls & Northwest 5s, 1939
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Wilkes-Barre & Eastern 1st 5s, 1942

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BONDS

UNITED STATES RUBBER COMPANY

To Holders of:

UNITED STATES RUBBER COMPANY Ten-Year Collateral
Trust Sinking Fund Gold Bonds;

MORGAN AND WRIGHT Five Per Cent. Gold Debentures;

CANADIAN CONSOLIDATED RUBBER COMPANY, Limited,
Five Per Cent. Gold Debentures:

The United States Rubber Company hereby offers to purchase:

UNITED STATES RUBBER COMPANY Ten-Year Collateral
Trust Sinking Fund Gold Bonds, due December 1, 1918, at
102.35 and accrued interest;

MORGAN AND WRIGHT Five Per Cent. Gold Debentures,
due December 1, 1918, at 101.25 and accrued interest;

CANADIAN CONSOLIDATED RUBBER COMPANY, Limited,
Five Per Cent. Gold Debentures, due December 1, 1918, at
101.25 and accrued interest.

The holders of the above bonds and obligations desiring to accept
such offers should present the same at the office of Messrs. Kuhn,
Loeb & Company, 52 William Street, New York City, and upon sur-
render thereof, will receive payment in cash. Such bonds, with all
unmatured coupons attached, and in the case of registered bonds, duly
endorsed in blank for transfer, must be presented at such office before
noon on any business day, except Saturdays, on or before October 27th,
1917 (the last day for subscriptions to the Second Liberty Loan), on
which date this offer will expire.

The above offer is on about a 3.85% interest basis for the above
bonds and obligations and is made at this time with the hope that
it may facilitate subscriptions to the Second Liberty Loan.

THE UNITED STATES RUBBER COMPANY,
by SAMUEL P. COLT, President.

New York, October 8, 1917.

Should Business Men Buy Stocks

A large number of good securities are now
selling lower than they did in the panic
of 1907.

An urgent warning, anticipating this de-
cline in the Stock Market, which has been
going on throughout the year, was placed
in the hands of our clients on January
2, 1917.

We understand the long swings of the
Market and can readily help you to sub-
stantial profits, thru correctly advising
the proper time for you to make your next
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Financial

Short Time Investments



4. The Margin of Security

Up to Sept. 15, 1917, the leading banks and Trust Companies of America have bought \$30,214,000. of our Collateral Trust Securities of which \$25,195,000. have matured and been paid.

These Securities are based upon trade acceptances and purchase money notes arising from the financing of both wholesale and retail sales of trucks and passenger automobiles.

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1. Over \$39,873,783.63 of Purchase Money Notes and Trade Acceptances deposited with the Metropolitan Trust Company of New York as trustee: a margin of over \$9,000,000. \$32,498,236.09 have matured and \$32,451,142.40 have been paid.
2. Each of the 46,650 underlying notes and acceptances bore at least two names of approved credit standing.
3. Each note and acceptance secured by direct lien on fully insured merchandise worth at forced sale more than the debt it secures.
4. In addition to the above elements of collateral strength the Collateral Trust Securities offered are the direct obligations of Guaranty Securities Corporation which has \$1,000,000 Capital and undivided profits of \$218,698.02 at August 31, 1917. The Corporation is organized and subject to supervision under New York State Banking Laws.

Bankers and other conservative investors should have our new booklet, "Collateral Trust Securities," which discusses in detail this exceptionally attractive form of short-time investment in the following phases:

Self Liquidation; Maturities;
Volume of Paper; 10,000 Name Paper;
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Vocational Diversification of Underlying Names;
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San Francisco - Montreal

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An experienced teacher will give instruction in accounting principles, and business penmanship by appointment. Address, C.P., care Commercial and Financial Chronicle.

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NO. 74 BROADWAY NEW YORK

Meetings

THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD COMPANY

To the Stockholders of the New York, New Haven and Hartford Railroad Company:

Notice is hereby given that the Annual Meeting of the Stockholders of The New York, New Haven and Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, on Wednesday, the 24th day of October, 1917, at 12:00 o'clock noon, for the following purposes:

1. To consider and take appropriate action upon the Statement of the affairs of The New York, New Haven and Hartford Railroad Company for the year ending December 31, 1916, and all acts described therein or reported at said meeting.

2. To elect a Board of Directors to serve until the next annual meeting and until their successors shall have been elected and qualified.

3. To act upon proposed amendments to the Stockholders' by-laws as follows:

Amend Article III by changing the date for the Annual Meeting of the Stockholders from the fourth Wednesday of October in each year to the third Wednesday of April in each year, and by striking out the words "Chairman of the Board" and inserting in lieu thereof the word "President", so that said article as amended shall read as follows:

"III. The annual meeting of this corporation at which directors shall be chosen, shall be held in the City of New Haven, Connecticut, on the third Wednesday of April in each year at 12 o'clock M., at such place as shall be fixed by the President or Directors."

Amend Articles IV, VII and IX by striking out the words "Chairman of the Board" whenever they occur and inserting in lieu thereof the word "President" so that said articles as amended shall read as follows:

"IV. A special meeting of this corporation may be called at any time by order of the Board of Directors and shall be held in the City of New Haven at such hour and place as shall be fixed by the President or Directors."

"VII. For each annual and special meeting of the Stockholders the Board of Directors shall appoint two tellers to receive and count the votes cast thereat. In case of the failure of the Board of Directors to make such appointment, or in case of the failure or inability of either or both of the tellers to serve at such meeting, the President shall appoint another teller, or tellers, in his, or their, places."

"IX. All the meetings of this Corporation shall be presided over by the President when he shall be present."

4. To transact any other business which may properly come before said meeting.

For the purpose of this meeting the transfer books of the Company will be closed from October 10th to October 24th, 1917, both days inclusive.

Dated at New Haven, Connecticut, this first day of October, 1917.

By order of the Board of Directors,
ARTHUR E. CLARK, Secretary.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

Notice is hereby given that a Special Meeting of the Stockholders of the New York, New Haven and Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, at three o'clock in the afternoon of the twenty-fourth day of October, 1917, if the Annual Meeting shall have adjourned at that hour; if not, then immediately upon the adjournment of said Annual Meeting, for the following purposes:

1. To act upon the acceptance of the amendment to the charter of this corporation contained in an Act of the General Assembly in the State of Connecticut, approved May 15th, 1917, entitled: "An Act Amending the Charter of The New York, New Haven and Hartford Railroad Company," in reference to the issue of shares of preferred stock.

2. To act upon the acceptance of the amendment to the charter of this corporation contained in an Act, passed by the Commonwealth of Massachusetts, approved May 25th, 1917, entitled: "An Act Relative to the Issue of Preferred Stock by The New York, New Haven and Hartford Railroad Company."

3. To act upon a proposition to authorize the issue of not exceeding four hundred and fifty thousand (450,000) shares of cumulative preferred stock of the par value of one hundred dollars (\$100) each, the holders of which shall be entitled to receive out of the annual net income of the Company, dividends of not exceeding seven per centum per annum.

For the purpose of this meeting the transfer books of the Company will be closed from October 10th to October 24th, 1917, both days inclusive.

Dated at New Haven, Connecticut, this first day of October, 1917.

By order of the Board of Directors,
ARTHUR E. CLARK, Secretary.

Opportunity

A well-known Investment Banking House will consider association of gentleman with capital, either as special or general partner. Address CF, P. O. Box 63, New York.

Pacific Power & Light 5s, 1930
Kansas Gas & Elec. 5s, 1922
American Gas & Elec. 6s, 2014
American Power & Light 6s, 2016
Central N. Y. Gas & Elec. 5s, 1941

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85 Devonshire St. BOSTON

Dividends**SOUTHERN RAILWAY COMPANY**
Preferred Stock Dividend

To the Holders of Stock Trust Certificates
for Preferred Stock of

SOUTHERN RAILWAY COMPANY:

As the transfer books for said Stock Trust Certificates have been closed since July, 1914, when the Voting Trustees announced their intention to surrender the trust and notified the holders of their certificates to exchange them for stock certificates, the Voting Trustees realize that in many cases the registered ownership of July, 1914, may no longer correspond with the actual ownership of the Stock Trust Certificates, and in order that the actual owners promptly may obtain the dividend of 2½% on the Preferred Stock of Southern Railway Company to be paid on November 20, 1917, on the stock registered in the names of the Voting Trustees on October 31, 1917, the Voting Trustees again urge you to present your Stock Trust Certificates at the office of the undersigned for exchange for definitive stock before October 31, 1917.

J. P. MORGAN & CO.,
Agents for the Voting Trustees,
23 Wall Street, New York.

October 15, 1917.

THE ATCHISON TOPEKA & SANTA FE RAILWAY COMPANY.

New York, October 2, 1917.

The Board of Directors has declared a dividend (being dividend No. 50) on the COMMON STOCK of this Company of ONE DOLLAR AND FIFTY CENTS (\$1.50) per share, payable December 1, 1917, out of surplus net income to holders of said COMMON Stock registered on the books of the Company at the close of business on November 2, 1917. Dividend cheques will be mailed to holders of COMMON Stock who file suitable orders therefor at this office.

C. K. COOPER, Assistant Treasurer.
5 Nassau Street, New York City.

READING COMPANY
General Office, Reading Terminal
Philadelphia, October 17, 1917.

The Board of Directors has declared from the net earnings a quarterly dividend of two per cent (2%) on the Common Stock of the Company, to be paid on November 8, 1917, to the stockholders of record at the close of business October 23, 1917. Checks will be mailed to stockholders who have filed dividend orders with the Treasurer.

JAY V. HARE, Secretary.

THE MANILA RAILROAD CO.
(Southern Lines).

First Mortgage Four per cent Gold Bonds.
Coupons due Nov. 1 1917 of the above bonds will be paid on presentation at our office on and after that date.

PHILIPPINE NATIONAL BANK,
New York Agency,
Woolworth Building.
New York, Oct. 17 1917.

E. W. CLARK & CO., Bankers.

COLUMBUS RAILWAY, POWER & LT. CO.
PREFERRED STOCK, SERIES B,
DIVIDEND NO. 15.

The Board of Directors of The Columbus Railway, Power & Light Co. has declared the regular quarterly dividend of one and one-quarter per cent (1¼%) upon the Preferred Stock, Series B, of the Company, payable November 1st, 1917, to stockholders of record at the close of business October 15th, 1917. Checks will be mailed.

P. V. BURINGTON, Secretary.

E. W. CLARK & CO., Bankers.

COLUMBUS RAILWAY, POWER & LT. CO.
COMMON STOCK DIVIDEND NO. 15.

The Board of Directors of The Columbus Railway, Power & Light Co. has declared a dividend of one and one-quarter per cent (1¼%) upon the Common Stock of the Company, payable November 1st, 1917, to stockholders of record at the close of business October 15th, 1917. Checks will be mailed.

P. V. BURINGTON, Secretary.

E. W. CLARK & CO., Bankers.

BANGOR RAILWAY & ELECTRIC CO.
Bangor, Maine.

COMMON STOCK DIVIDEND NO. 15.
The Board of Directors of the Bangor Railway & Electric Co. has declared a dividend of One-half of one per cent (½ of 1%) upon the Common stock of the Company, payable November 1st, 1917, to stockholders of record at the close of business October 20th, 1917. Checks will be mailed.

HOWARD CORNING, Treasurer.

E. W. CLARK & CO., Bankers.

EAST ST. LOUIS & SUBURBAN COMPANY.
PREFERRED STOCK DIVIDEND NO. 15.

The Board of Directors of The East St. Louis & Suburban Co. has declared a dividend of Three-quarters of One per cent (¾ of 1%) upon the Preferred stock of the Company, payable November 1st, 1917, to stockholders of record at the close of business October 20th, 1917. Checks will be mailed.

G. L. ESTABROOK, Secretary.

PORTLAND GAS & COKE COMPANY.
PORTLAND, OREGON.

PREFERRED STOCK DIVIDEND NO. 31.
The regular quarterly dividend of one and three-quarters (1¾%) per cent has been declared on the Preferred Stock of Portland Gas & Coke Company for the quarter ending October 31, 1917, payable November 1, 1917, to stockholders of record at the close of business on October 22, 1917.

GEORGE F. NEVINS, Treasurer.

Dividends**BURNS BROS.**

The Board of Directors of Burns Bros. at the regular meeting held by them on the 9th day of October, 1917, declared the regular quarterly dividend No. 19 of one and three-fourths per cent (1¾%) upon the preferred stock of said Company, payable Nov. 1st, 1917, to stockholders of record at the close of business on Oct. 20th, 1917.

At the same meeting the Board also declared the regular quarterly dividend No. 17 upon the common stock at the rate of one and one-half per cent (1½%), payable on the 15th day of November, 1917, to stockholders of record at the close of business on Nov. 1st, 1917, and at the same time the Board set aside Seventy Thousand Two Hundred Dollars (\$70,200) of common stock to be distributed as a quarterly stock dividend to holders of the common stock of the Company pro rata in the ratio of one (1) share of new stock to each one hundred (100) shares of common stock held by the holders of common stock of record at the close of business on Nov. 1st, 1917, such stock to be distributed and delivered to stockholders on the 15th day of Nov. 1917.

Scrip will be issued in place of certificates for fractions of a share, and no dividend will be paid on said scrip or fractions of a share represented thereby, and said scrip will not be entitled to vote until such scrip aggregating whole shares has been exchanged for certificates for whole shares.

GEORGE S. WEAVER, Treasurer.

ASSOCIATED DRY GOODS CORPORATION.

Hoboken, N. J., October 12, 1917.

A dividend of one and one-half per cent (1½%) on the First Preferred Stock of Associated Dry Goods Corporation has been declared by the Board of Directors, payable December 1st, 1917, to holders of record of said stock at the close of business November 15th, 1917. Checks will be mailed. Attention is called to the fact that no dividend is payable in respect of Scrip Certificates representing fractional interests in said First Preferred Stock, and holders of such Scrip Certificates are urged to consolidate them with full shares of stock on or before said last-mentioned date.

THERON S. ATWATER, Treasurer.

PACIFIC GAS & ELECTRIC CO.

FIRST PREFERRED DIVIDEND NO. 13.
ORIGINAL PREFERRED DIVIDEND NO. 47.

The Board of Directors will meet on October 31, 1917, and declare the regular quarterly dividends to that date of \$1.50 per share upon the full-paid First Preferred and Original Preferred Capital Stock of the Company, payable by checks mailed November 15, 1917, to stockholders of record at 3:30 o'clock p. m. October 31, 1917. The transfer books will not close.

D. H. FOOTE, Secretary.
San Francisco, Cal., October 10, 1917.

**Office of the
CONSOLIDATION COAL COMPANY.**

Baltimore, Md., October 1st, 1917.

The Board of Directors has declared a quarterly dividend of One Dollar and a Half (\$1.50) per share on its Capital Stock, payable October 31st, 1917, to the stockholders of record at the close of business October 20th, 1917. The transfer books will remain open. Dividend checks will be mailed.

T. K. STUART,
Assistant Treasurer.

PACIFIC POWER & LIGHT CO.
Portland, Oregon.

PREFERRED STOCK DIVIDEND NO. 29.
The regular quarterly dividend of one and three-quarters (1¾%) per cent has been declared on the Preferred Stock of PACIFIC POWER & LIGHT COMPANY for the quarter ending October 31, 1917, payable November 1, 1917, to stockholders of record at the close of business on October 22, 1917.

GEORGE F. NEVINS, Treasurer.

ILLUMINATING & POWER SECURITIES CORPORATION.

Regular quarterly dividend No. 21 of 1¼% for the quarter ending October 31, 1917, has been declared on the preferred stock of this Corporation, payable November 15, 1917, to stockholders of record at the close of business on October 31, 1917.

W. F. POPE, Secretary.
October 16, 1917.

TOBACCO PRODUCTS CORPORATION.

Oct. 15, 1917.

At a meeting of the Board of Directors held this day, a dividend of \$1.50 per share was declared on the Common Capital Stock of this Corporation, payable on November 15th, 1917, to stockholders of record as of the close of business November 1st, 1917. Checks will be mailed.

GRAY MILLER, Secretary.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY.

A dividend of one and three-quarters per cent (87½ cents per share) on the COMMON stock of this Company for the quarter ending Sept. 30, 1917, will be paid Oct. 31, 1917, to stockholders of record as of Oct. 5, 1917.

H. F. BAETZ, Treasurer.
New York, September 26, 1917.

AMERICAN SUMATRA TOBACCO CO.

New York, N. Y., October 11, 1917.

A regular quarterly dividend of one and one-half per cent on the Common Capital Stock of this Company has been declared, payable on November 1, 1917, to stockholders of record at the close of business October 25, 1917.

The transfer books do not close.
FRANK M. ARGUMBAU, Secretary.

Texas Power & Light Company.

Preferred Stock Dividend No. 22

The regular quarterly dividend of one and three-quarters per cent (1¾%) on the Preferred Stock of Texas Power & Light Company has been declared, payable November 1, 1917, to stockholders of record at the close of business October 20, 1917.

M. H. ARNING, Treasurer.

Dividends**CHICAGO WILMINGTON & FRANKLIN COAL COMPANY**

(Massachusetts Corporation.)
STATE OF ILLINOIS.

PREFERRED DIVIDEND NO. 7.
COMMON DIVIDEND NO. 3.

A quarterly dividend of \$1.50 per share on the preferred capital stock and a dividend of \$5.00 per share on the common capital stock of Chicago Wilmington & Franklin Coal Company have been declared, both payable November 1, 1917, to Stockholders of record at the close of business October 22, 1917.

STONE & WEBSTER,
Transfer Agents.

HOUGHTON COUNTY ELECTRIC LIGHT CO.

Houghton, Michigan.

PREFERRED DIVIDEND NO. 30.
COMMON DIVIDEND NO. 25.

A semi-annual dividend at the rate of 6% per annum, amounting to seventy-five cents (75c.) per share on the preferred capital stock, and a semi-annual dividend at the rate of 5% per annum, amounting to sixty-two and one-half cents (62½c.) per share on the common capital stock of Houghton County Electric Light Company have been declared, both payable November 1, 1917, to Stockholders of record at the close of business October 22, 1917.

STONE & WEBSTER,
Transfer Agents.

EDISON ELECTRIC ILLUMINATING COMPANY OF BROCKTON

Brockton, Massachusetts.

DIVIDEND NO. 64.

A quarterly dividend of \$2.00 per share has been declared on the capital stock of Edison Electric Illuminating Company of Brockton, payable November 1, 1917, to Stockholders of record at the close of business October 17, 1917.

STONE & WEBSTER,
Transfer Agents.

PUBLIC SERVICE INVESTMENT COMPANY

Boston, Massachusetts.

PREFERRED DIVIDEND NO. 34.

A quarterly dividend of \$1.50 per share has been declared on the preferred capital stock of Public Service Investment Company, payable November 1, 1917, to Stockholders of record at the close of business October 19, 1917.

STONE & WEBSTER,
Transfer Agents.

SIERRA PACIFIC ELECTRIC COMPANY

Nevada.

PREFERRED DIVIDEND NO. 33.

A quarterly dividend of \$1.50 per share has been declared on the preferred capital stock of Sierra Pacific Electric Company, payable November 1, 1917, to Stockholders of record at the close of business October 22, 1917.

STONE & WEBSTER,
Transfer Agents.

FALL RIVER GAS WORKS COMPANY,

Fall River, Massachusetts.

DIVIDEND NO. 92.

A quarterly dividend of \$3.00 per share has been declared on the capital stock of Fall River Gas Works Company, payable November 1, 1917, to Stockholders of record at the close of business October 17, 1917.

STONE & WEBSTER,
Transfer Agents.

AMERICAN ZINC, LEAD & SMELTING CO.

The Directors of The American Zinc, Lead & Smelting Company have declared a regular quarterly dividend of one dollar and fifty cents (\$1.50) per share on the preferred capital stock, payable November 1, 1917, to stockholders of record October 27, 1917.

S. E. FARWELL, Treasurer.

NATIONAL LEAD COMPANY.

111 Broadway, New York.

The regular quarterly dividend of one and three-quarters per cent on the Preferred Stock of this Company has been declared, payable December 15, 1917, to stockholders of record November 23, 1917.

FRED R. FORTMEYER, Treasurer.

FEDERAL SUGAR REFINING CO.

October 16, 1917.

The regular quarterly dividend of ONE AND ONE-HALF PER CENT (1½%) on the Preferred Shares of this Company will be paid October 29th, 1917, to stockholders of record at the close of business October 26th, 1917. Transfer books will not close.

PIERRE J. SMITH, Treasurer.

THE INTEROCEAN OIL COMPANY,

90 West Street, New York.

The Board of Directors has this day declared a six months' dividend of three and one-half (3½) per cent on the First Preferred stock, payable November 1st, 1917, to stockholders of record October 20th, 1917.

GEO. W. S. WHITNEY, Secretary.
New York, October 3rd, 1917.

COLUMBIA GAS & ELECTRIC COMPANY
DIVIDEND NOTICE.

Notice is hereby given that a quarterly dividend of One Per Cent (1%) upon the Capital Stock of this Company has this day been declared, payable November 15th, 1917, to the stockholders of record October 31st, 1917.

T. F. WICKHAM, Secretary.

War Tax Analysis

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Many perplexing problems confront the taxpayer in complying with the provisions of the new War Tax Law.

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Patriotism and Common Sense

BUSINESS is good to-day. More men and women are now employed than at any other time in the history of our country.

Our Government and our allies are expending over \$1,500,000,000 a month in this country. Ninety per cent. of this great sum is paid for labor.

Meanwhile the cost of the war is also running into billions of dollars per month. The American people must foot the bill, and you must pay your share. There is no possible way in which you can avoid it.

But there is a way in which you and all the rest of us can pay our share of the cost of the war and get our money back. That is by the purchase of Liberty Bonds.

These Bonds are the safest investment in the world. The greatest and richest country in the world, the United States of America, stands behind them and guarantees their payment. You will not only get your money back, but will be paid 4% for the use of it.

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By taxation.

And when those taxes go into effect, you will have to help pay them every time you pay your rent, every time you buy food, every time you buy clothing for yourself and your family, and not a penny you pay to meet those taxes will every come back to you again.

Remember, too, that high taxes and high cost of necessities always mean a decrease in buying—a decrease in manufacturing—men thrown out of work—suffering and disaster all along the line.

It is up to the American people to make their choice. It is up to you to make your choice.

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Bonds are on sale at Banks, Trust Companies and Savings Banks.

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Second Federal Reserve District

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The Commercial & Financial Chronicle

INCLUDING

Bank & Quotation Section
Railway Earnings Section

Railway & Industrial Section
Bankers' Convention Section

Electric Railway Section
State and City Section

VOL. 105

SATURDAY, OCTOBER 20 1917

NO. 2730

The Chronicle.

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Jacob Selbert Jr., President and Treas.; George S. Dana and Arnold G. Dana,
Vice-Presidents; Arnold G. Dana, Sec. Addresses of all, Office of the Company.

CLEARING HOUSE RETURNS.

The following table, made up by telegraph, &c., indicates that the total bank clearings of all the clearing houses of the United States for the week ending to-day have been \$7,282,988,155, against \$5,377,877,807 last week and \$6,355,672,449 the corresponding week last year.

Clearings—Returns by Telegraph. Week ending October 20.	1917.	1916.	Per Cent.
New York.....	\$3,503,488,799	\$3,244,023,298	+7.8
Chicago.....	499,669,967	417,815,081	+19.6
Philadelphia.....	337,007,076	280,166,875	+20.3
Boston.....	261,167,487	211,750,371	+23.3
Kansas City.....	160,026,316	110,751,906	+44.5
St. Louis.....	140,330,021	110,057,747	+27.5
San Francisco.....	99,893,533	72,467,188	+37.9
Pittsburgh.....	73,012,618	60,728,662	+20.2
Detroit.....	49,515,566	46,835,241	+5.7
Baltimore.....	44,572,281	34,373,688	+29.7
New Orleans.....	43,891,511	36,445,969	+20.4
Eleven cities, 5 days.....	\$5,211,575,175	\$4,625,416,026	+12.7
Other cities, 5 days.....	825,471,823	655,278,914	+25.9
Total all cities, 5 days.....	\$6,037,046,938	\$5,280,694,940	+14.3
All cities, 1 day.....	1,245,941,217	1,074,977,509	+15.9
Total all cities for week.....	\$7,282,988,155	\$6,355,672,449	+14.6

The full details for the week covered by the above will be given next Saturday. We cannot furnish them to-day, clearings being made up by the clearing houses at noon on Saturday, and hence in the above the last day of the week has to be in all cases estimated, as we go to press Friday night.

Detailed figures for the week ending Oct. 13 follow:

Clearings at—	1917.	1916.	Inc. or Dec.	1915.	1914.
New York.....	2,957,988,989	3,342,579,117	-11.2	2,860,690,408	1,161,740,377
Philadelphia.....	285,338,233	256,562,241	+11.2	199,283,288	140,830,285
Pittsburgh.....	63,531,967	62,109,776	+2.3	53,439,558	51,616,036
Baltimore.....	41,853,662	37,946,468	+10.3	38,381,287	33,996,612
Buffalo.....	18,797,221	13,527,595	+29.0	12,060,671	11,308,430
Albany.....	4,143,786	4,963,807	-16.5	5,840,184	6,756,144
Washington.....	11,000,000	9,460,789	+16.1	8,140,558	7,244,348
Rochester.....	6,574,751	5,938,144	+10.7	5,475,623	4,600,169
Scranton.....	3,490,870	2,888,886	+20.8	2,933,198	2,867,430
Syracuse.....	3,743,974	3,819,324	-2.0	3,477,837	3,162,186
Reading.....	2,258,416	2,393,810	-5.7	2,132,849	1,963,942
Wilmington.....	2,785,796	2,856,586	-2.5	2,353,113	1,562,721
Wilkes-Barre.....	2,188,585	1,681,969	+30.1	1,858,345	1,525,782
Wheeling.....	3,363,014	3,436,684	-2.1	2,372,445	2,039,160
York.....	1,123,406	1,048,361	+7.1	1,016,908	1,012,195
Trenton.....	1,986,687	1,979,908	+0.4	1,843,368	1,759,594
Erie.....	1,911,207	1,434,439	+33.3	1,201,972	1,020,090
Greensburg.....	1,000,000	797,265	+25.5	691,447	688,972
Chester.....	1,239,963	1,245,259	-0.4	1,079,059	781,744
Binghamton.....	889,500	845,600	+5.2	736,400	679,500
Altoona.....	600,000	546,780	+10.0	521,408	598,183
Lancaster.....	2,357,920	1,936,619	+21.7	1,872,623	1,694,033
Montclair.....	432,998	412,338	+5.0	423,339	384,385
Total Middle.....	3,418,700,935	3,760,411,665	-9.1	3,207,825,828	1,439,835,338
Boston.....	203,234,076	189,721,963	+7.2	203,964,782	134,223,120
Providence.....	8,550,000	11,670,400	-26.5	10,151,600	8,364,100
Hartford.....	7,500,000	8,287,081	-9.5	6,880,376	4,330,732
New Haven.....	4,200,420	4,612,002	-8.9	4,217,899	3,643,120
Springfield.....	3,541,977	3,704,358	-4.4	3,476,552	2,658,429
Portland.....	2,500,000	2,200,000	+13.6	2,100,000	1,900,000
Worcester.....	3,163,256	3,490,300	-9.4	3,714,899	2,960,050
Fall River.....	2,017,202	2,000,612	+0.8	1,452,106	1,011,653
New Bedford.....	1,659,291	1,721,722	-3.6	1,606,319	1,185,470
Lowell.....	1,221,178	924,102	+32.1	1,016,631	703,333
Holyoke.....	677,789	873,339	-22.4	706,911	732,745
Bangor.....	860,196	760,483	+13.1	542,996	437,371
Total New Eng.....	239,155,385	229,966,362	+4.0	239,731,161	162,150,103

Note.—For Canadian clearings see "Commercial and Miscellaneous News."

Clearings at—

Week ending October 13.

Clearings at—	1917.	1916.	Inc. or Dec.	1915.	1914.
	\$	\$	%	\$	\$
Chicago.....	440,852,580	416,135,009	+5.9	339,807,107	276,509,991
Cincinnati.....	35,006,100	31,289,050	+11.9	28,117,050	22,341,400
Cleveland.....	57,527,635	52,905,375	+8.8	33,967,488	23,833,822
Detroit.....	50,015,674	47,409,412	+5.5	34,625,112	27,325,110
Milwaukee.....	28,910,118	24,025,085	+20.3	18,048,473	17,514,529
Indianapolis.....	11,045,519	11,991,572	-7.9	9,154,077	8,223,271
Columbus.....	10,176,500	10,374,900	-1.9	7,499,100	6,554,700
Toledo.....	10,435,984	8,168,388	+27.7	7,149,840	5,920,945
Peoria.....	5,000,000	3,550,000	+40.9	3,229,511	2,764,317
Grand Rapids.....	4,827,613	4,580,386	+5.4	3,422,000	3,237,395
Dayton.....	3,380,037	3,108,906	+8.8	1,917,295	1,838,013
Evansville.....	3,006,133	2,376,698	+26.5	1,883,438	1,226,275
Springfield, Ill.....	1,800,000	1,686,694	+6.7	1,126,704	1,104,273
Fort Wayne.....	1,213,807	1,749,907	-30.6	1,275,404	1,265,974
Akron.....	5,430,000	3,727,000	+45.7	2,137,000	1,749,000
Lexington.....	942,625	696,563	+35.3	726,454	551,081
Rockford.....	1,920,198	1,453,788	+32.1	1,036,401	913,285
Youngstown.....	4,033,710	3,068,127	+31.5	1,762,795	1,702,135
South Bend.....	1,014,429	880,245	+14.2	891,682	719,001
Bloomington.....	978,822	849,192	+15.2	713,655	659,650
Quincy.....	1,125,065	1,016,563	+10.7	813,676	820,507
Canton.....	2,600,000	2,514,933	+3.4	1,919,371	1,586,059
Decatur.....	737,731	743,528	-0.8	508,326	457,698
Springfield, O.....	1,112,304	1,112,379	-0.0	739,399	742,779
Mansfield.....	843,511	615,887	+37.0	525,237	516,195
Jackson.....	875,000	943,202	-7.2	651,856	500,000
Jacksonville, Ill.....	379,017	362,586	+4.5	266,193	265,420
Danville.....	536,944	545,715	-1.4	458,209	403,263
Lima.....	600,000	675,000	-11.1	510,334	464,537
Lansing.....	1,072,273	1,054,432	+1.7	671,280	588,538
Ann Arbor.....	353,634	348,669	+1.4	306,485	265,528
Adrian.....	107,956	97,668	+10.5	66,550	53,353
Owensboro.....	450,000	355,640	+26.4	299,719	360,600
Tot. Mid. West.....	688,320,219	640,412,499	+7.5	506,227,230	412,978,644
San Francisco.....	90,379,081	75,482,181	+19.7	58,922,853	54,647,100
Los Angeles.....	24,229,000	25,475,752	-4.9	21,341,624	22,949,832
Seattle.....	25,708,114	17,842,721	+44.0	12,745,622	13,320,999
Portland.....	23,797,165	18,534,806	+28.4	14,140,233	12,573,068
Spokane.....	7,000,000	6,160,593	+13.6	4,387,153	3,961,301
Salt Lake City.....	16,087,500	13,246,435	+21.4	7,848,443	6,310,234
Tacoma.....	3,484,503	2,757,672	+26.4	2,159,345	1,977,088
Oakland.....	4,805,742	4,553,591	+5.5	3,726,123	3,692,850
Sacramento.....	4,253,363	2,338,591	+83.3	2,430,739	2,058,706
San Diego.....	2,239,691	2,087,690	+7.5	2,171,564	1,932,098
Fresno.....	2,892,000	1,612,885	+79.3	1,353,337	1,361,115
Stockton.....	1,843,512	1,196,010	+54.1	1,106,884	975,929
San Jose.....	1,523,598	1,279,850	+19.0	883,982	906,960
Pasadena.....	999,650	1,384,731	-27.8	732,810	714,894
North Yakima.....	1,054,860	747,089	+38.5	533,094	521,000
Reno.....	575,000	539,867	+6.5	302,908	317,619
Long Beach.....	638,692	598,170	+6.8	512,755	509,017
Total Pacific.....	211,524,771	175,838,634	+20.3	135,304,469	128,709,820
Kansas City.....	171,503,208	126,291,127	+35.8	85,110,533	67,813,516
Minneapolis.....	42,809,853	37,024,817	+12.9	31,272,863	38,447,598
Omaha.....	39,999,699	30,773,597	+30.0	22,933,278	18,577,454
St. Paul.....	17,042,554	16,531,694	+3.1	12,843,120	12,239,661
Denver.....	23,588,595	15,335,564	+53.8	12,388,940	10,247,007
St. Joseph.....	14,661,998	10,688,228	+37.2	7,128,624	6,726,701
Duluth.....	8,323,664	6,342,669	+31.2	7,910,963	7,419,598
Des Moines.....	9,002,452	6,520,396	+38.1	5,920,927	4,906,335
Sioux City.....	8,664,092	5,321,410	+62.8	4,101,369	3,289,737
Wichita.....	7,239,859	5,709,710	+26.7	3,784,084	3,593,845
Topeka.....	3,287,831	1,939,542	+69.5	1,475,990	1,432,063
Davenport.....	2,240,760	1,970,475	+13.7	1,629,129	1,380,738
Lincoln.....	4,207,672	3,955,980	+6.4	2,517,711	2,265,195
Cedar Rapids.....	2,729,224	2,033,662	+34.2	2,183,167	1,556,257
Fargo.....	2,839,942	1,729,833	+64.2	1,777,569	1,729,563
Colorado Springs.....	871,151	1,066,269	-18.3	739,234	719,780
Pueblo.....	633,212	670,644	-5.5	371,986	662,373
Fremont.....	764,987	722,448	+5.9	366,492	343,897
Waterloo.....	2,400,000	2,060,746	+16.4	1,803,519	1,271,757
Helen.....	2,586,575	2,202,138	+17.4	1,419,491	1,233,538
Aberdeen.....	1,712,336	1,062,451	+61.2	1,047,116	868,140
Hastings.....	485,514	534,093	-9.1	223,658	232,963
Billings.....	1,922,230	1,128,551	+70.4	878,849	482,683
Total other West.....	369,518,408	281,516,044	+31.3	209,827,712	187,440,339
St. Louis.....	143,378,581	122,378,843	+17.2	89,168,803	70,175,768
New Orleans.....	42,445,312	32,721,718	+29.7	20,603,036	15,570,883
Louisville.....	16,719,427	17,521,972	-4.6	12,623,503	11,240,847
Houston.....	16,000,000	17,659,682	-9.4	10,546,090	7,899,789
Galveston.....	7,000,000	5,228,316	+33.9	4,526,823	3,767,500
Richmond.....	32,692,241	21,107,420	+54.9	12,651,821	8,522,413
Atlanta.....	48,664,274	30,573,106	+59.2	20,015,570	13,805,644
Memphis.....	14,810,240	15,758,579	-6.0	9,793,463	7,182,078
Savannah.....	14,849,147	11,327,302	+31.1	6,891,754	3,806,006
Fort Worth.....	17,034,245	11,533,675	+47.7	9,596,435	9,290,577
Nashville.....	13,153,693	10,521,077	+25.0	7,817,870	6,506,253
Augusta.....	6,135,055	3,912,053	+56.8	2,554,479	2,110,860
Norfolk.....	5,731,499	5,828,954	-1.8	4,328,712	3,936,152
Birmingham.....	3,308,544	2,631,916	+25.7	2,701,636	2,640,103
Little Rock.....	4,800,000	5,387,663	-10.9	2,723,203	2,233,768
Charleston.....	3,000,000	2,780,053	+8.0	2,248,025	1,652,540
Knoxville.....	2,695,450	2,057,645	+31.0	1,978,793	2,190,737
Jacksonville.....	4,177,095	3,100,000	+34.7	3,041,302	2,681,148
Cattanooga.....	4,939,238	2,560,964	+92.9	2,465,205	2,153,508
Mobile.....	1,100,000	1,053,240	+4.5	1,071,678	1,000,000
Oklahoma.....	10,845,168	6,976,718	+55.5	3,058,000	3,068,300
Macon.....	2,000,000	8,974,375	-77.7	4,575,004	3,794,276
Austin.....	2,900,000	2,750,000	+5.5	1,613,693	1,501,411
Vicksburg.....	441,523	561,001	-11.9	323,859	276,685
Jackson.....	625,000	561,000	+11.4	497,557	431,314
Muskogee.....	2,458,556	2,005,484	+22.6	1,051,778	959,851
Tulsa.....	6,794,062	4,391,294	+54.7	1,622,408	1,516,921
Dallas.....	21,938,599	16,703,169	+31.3		
Total Southern.....	450,657,489	368,517,219	+22.3	240,090,500	189,919,631
Total all.....	5,377,877,807	5,456,762,523	-1.4	4,539,106,900	2,521,025,345
Outside N. Y.....	2,419,888,818	2,114,183,326	+14.5	1,678,416,492	1,359,289,275

THE FINANCIAL SITUATION.

President Wilson now adds his appeal to that of the Federal Reserve Board and urges the State banking institutions to enter the Federal Reserve banking system. The purpose is to enlarge still further the resources of Federal Reserve banks, correspondingly expanding their loaning capacity and their note issuing powers. The President's appeal is likely to prove more effective than have been the repeated promptings of the Federal Reserve Board. His appeal, too, is put on more compelling grounds. Almost from the day of the organization of the system Federal Reserve officials have been endeavoring to persuade the State banking institutions to join the system, and certainly it was intended that the system should embrace these institutions. But the Reserve officials have not been fortunate in the methods pursued to attain that end, and accordingly these State institutions have evinced no special desire to enter the system. The Reserve authorities appeared to be aiming at mere size, and as until quite lately they were not especially considerate of the distinctive position of the State institutions, they made very little progress in their campaign. The President, as already stated, puts his appeal on more compelling grounds. He wants to see the resources of these institutions added to those of the national banks so that the banking power of the whole country may be available for the active prosecution of the war under common control, or more specifically under Federal control.

The President declares that "co-operation on the part of the banks is a patriotic duty at this time, and that membership in the Federal Reserve system is a distinct and significant evidence of patriotism." This changes the aspect of the matter. He points out that there are probably eight or nine thousand State banks and trust companies eligible for membership which have not yet united with the system, and these institutions have it in their power to add enormously to the resources of the Federal Reserve banks, "thereby broadening and strengthening the foundation upon which our whole financial structure must rest."

The President urges that "a vigorous prosecution and satisfactory termination of the war will depend in no small degree upon the ability of the Government not only to finance itself, but also to aid the Governments associated with it in the war, which must be kept supplied with munitions, fuel, food and supplies of all kinds." He refers to the important functions of the Federal Reserve banks in the sale of the Government's securities, in receiving and transferring the billions of dollars involved, in supplying credit facilities, and in protecting the reserves of the country. He adverts to the fact that Congress a few weeks ago prescribed very generous terms for the entrance of State concerns into the Federal Reserve system, removing the objections that had previously appeared in the eyes of the State banks when considering the proposition of membership. The law now leaves member State banks and trust companies practically undisturbed in the exercise of all the banking powers conferred upon them by the States.

It cannot of course be denied that "our finances must rest on the firmest possible foundation and that they must be adequately and completely conserved so as to respond instantly to every legitimate de-

mand." The question, therefore, for the State institutions to consider is, whether they can best promote the welfare of the country, and assist in the prosecution of the war, while outside of the Reserve system, or when inside of it. It has heretofore been our view that the State banks and trust companies, because of the inflation possibilities involved in the operation of the Reserve banks, would be rendering the highest and best service by keeping themselves strong outside of the system. But we are not inclined to urge our view as against the President's insistent appeal to the banks and trust companies to come in.

It must also be admitted that war financing is proceeding with such rapid strides and is proving of such unexampled dimensions that the banking problem itself is daily becoming of larger dimensions. The country is engaged in a gigantic war and all measures and plans for handling the finances connected with it must be directed to the single end of doing the job successfully. At such a time there is no room for divided counsels. Responsibility for the conduct of the war rests exclusively with the President, and since he is convinced that the State institutions should place their resources at the disposal of the Federal Reserve banks, going so far even as to express his "solemn conviction that they can best measure up to their duties and responsibilities through membership in the Federal Reserve system," his decision must be accepted as controlling and opposing views be surrendered. It is too plain for argument that since the strain in financing the huge needs of the United States and of the Allies, will be unprecedented there should not be the slightest doubt that the resources at the command of the Reserve banks will, even in a remote contingency, suffice for the requirements. The law has been amended, as the President well says, so that the State institutions retain all their charter rights and privileges, even if they do enter the Reserve system. They are free, too, to withdraw from the system again after the conclusion of the war. In the last analysis the question whether the outside banks shall or shall not join the Reserve system is one of wise administration and, with so much at stake, the President must be trusted to see that there is no departure from sound methods in the conduct and operation of the confederated system.

Some forty years ago a friend, visiting at a certain house in a village "up-State," observed the small daughter engaged in the ancient and innocent amusement of making mud pies, with the difference that the child was using the real materials of flour, sugar and eggs. The friend ventured a mild query of remonstrance, to which the mother, one of the gentle class who take the line of apparent least resistance and think it easier to yield to children than to control them, languidly replied that it did not matter very much, since the mixture would be consumed by the hens. It seemed to the friend that the child could get imaginative pleasure from common dirt quite as well, and that the hens did not profit enough to atone for the evident waste; but nothing more could be fitly said.

The country had not then worked back to specie payments, yet we were in our time of abundance, the land flowing with milk and honey. On the 26th of last month, the morning journals contained a page

advertisement, signed by 27 savings banks and 94 banks and trust companies of this city. At the top was an oval of the Liberty Statue, now become more familiar than ever, lapping upon an oval of the bust of Franklin, one of whose mottos, "Save and Have," formed the headline, while "Save and Serve" was at the foot. The text of this advertisement was eleven lines of large type across the page, and since the advertisement was for nobody's private profit, we copy this brief text:

"The purpose of this advertisement is to bring the importance of saving to the attention of the public. Never before has saving been so necessary. Our soldiers and sailors alone cannot win the war. Our soldiers and sailors, backed by thrifty people at home, are an invincible force for victory and peace. The future of the United States, after the war, will be more secure if every American will spend carefully, save carefully, and invest carefully.

"Saving requires no technical knowledge, no large capital. It requires only *the will to save* and the character to keep at it.

"Investment follows saving. Banks, trust companies, and savings banks have made it easy to invest.

"Thrift is essential to individual success. It is the foundation of the power of nations. It is, today, absolutely vital to the welfare of the American people."

Yesterday Mrs. Hoover was to be guest of honor at a "war luncheon" at Food Administration headquarters, 124 East 15th Street; last evening she was to speak at a food conservation rally at Cooper Union, and the other speakers announced were John Mitchell, the newly-appointed Food Administrator of this State; Miss Katherine B. Davis, Mr. Henry Moscovitz, of the city's Food Commission; Mr. H. J. Hill, national campaign manager of the U. S. Food Administration, and Health Commissioner Emerson. With little publicity, a campaign has been going on for some weeks by the Hoover administration, and thousands of homekeepers have signed a pledge to observe occasional wheatless or meatless or sugarless days, and to do their utmost to cut off wastes; a demonstration by war-wives and war-mothers at Union Square is also announced for next Saturday. For the last nine months there has been much of what may be called (in neither an offensive nor a derisive sense) Hooverism, the gospel of the "Clean Plate," the more rational menu, the pinched garbage pail, the Simpler Life. Not a syllable can be said against all this; it is timely, it is necessary, it is for the good of the whole world. The exhortation and campaign for economy and thrift form a distinct movement, having no natural relation to the attempted Control. We may doubt and criticise the latter, without deprecating or doubting the former.

The advertisement we have cited is a distinct sign of the times, and a hopeful indication. Every man and woman who possesses a head that is more than a knot tied to prevent ravelling out at the top should give it heed, hope and honest endeavor. Moreover, this advertisement and the Hoover push towards conservation agree with, supplement and enforce what the "Chronicle" has been saying concerning waste and thrift.

Gold mining operations in the Transvaal continue along what might be rightly called ultra-conservative

lines. It is true that production in September 1917, as announced by cable, was upon a higher per-diem basis than in either July or August—only nominally so, however—but it was, at the same time, less satisfactory than the outcome for the month in the corresponding period of either of the two preceding years. In other words, the September yield, at an average of 24,608 five ounces per diem, compares with 25,719 fine ounces in 1916 and 25,871 fine ounces in 1915. Furthermore, the total production for the month in 1917, at 738,231 fine ounces, contrasts with 771,567 fine ounces and 776,750 fine ounces, respectively, one and two years ago. The nine months' yield of 1917, consequently, shows a further contraction as compared with 1916 and a rather notable narrowing of the margin of increase over two years ago, the current total of 6,825,715 fine ounces being 119,956 fine ounces under that for the same period a year ago and only 91,799 fine ounces in excess of 1915.

Building operations in the United States continued in September to exhibit in most localities the comparative lack of activity that has been the feature in construction work for some months past, and which finds explanation in the twin adverse influences of shortage of labor and scarcity and high prices for all classes of materials. To what an extent operations have been affected is indicated by the fact that 109 of the 164 cities reporting for September this year show decreases from the like period a year ago, in many cases very heavy decreases, and that in the aggregate for all the cities the expenditure contemplated is some 23½% under 1916.

As regards the building situation locally, and more particularly in Manhattan Borough, the committee appointed at the conference held at the City Hall on Sept. 20 under the auspices of the Building Materials Exchange to examine into the whole situation and endeavor to find a remedy for existing conditions, has been actively engaged ever since. One of the first steps taken was the selection of Allen E. Beals to make a canvass of the condition of supply at all manufacturing centres from which building materials are shipped to New York so as to determine whether there is warrant for the belief held by many building investors that the cost of materials would decline simultaneously with the fixing by the Government of the base prices for coal and steel. That survey has been completed and report made at a meeting of the Buildings' Committee held in the office of the Building Material Exchange on Tuesday. Summarizing briefly the results of his investigations, Mr. Beals stated that the causes for the present stagnation in construction work are: First, general expectation that there will be a drop in the price of materials. Second, uncertainty of deliveries. Third, uncertainty as regards realty values. The conclusions at which he arrives are: (1) Building material prices will be at or above present levels for many years to come; (2) consideration should be given to investigation of railroad conditions to discover how long embargoes and delayed haulage may be expected after the crops have been moved; (3) consideration of ways and means of protecting investment building enterprises. In addition to the foregoing report, the Committee on Supply and Price of Labor announced its conclusion that shortage is likely to continue while the war lasts, but that agreements in effect tend to hold wages at or near present levels.

Our returns of building operations for September 1917 from 164 cities furnish a total of contemplated outlay of only \$54,716,177, this comparing with \$71,518,277 for the month in 1916 and showing a slightly greater loss from 1915. Manhattan Borough records a trifling augmentation over the comparatively small aggregate of a year ago, and gains are to be noted also in Brooklyn and Richmond boroughs, so that for Greater New York as a whole the contrast is between \$8,895,985 and only \$8,165,486. Outside of New York the expenditures arranged for under the month's contracts sum up only \$45,820,182, against \$63,352,791 last year and approximately 62 millions in 1915. Heavy percentages of decrease are shown at such representative cities as Chicago, Philadelphia, Pittsburgh, St. Louis, Minneapolis, New Orleans, St. Paul, Kansas City, Los Angeles, Seattle, Washington, Richmond, Portland, Ore., Spokane, Oakland, Syracuse, Akron, Dayton, Dallas, San Diego, Nashville, Birmingham, New Bedford, Springfield, Mass., Worcester and Indianapolis. On the other hand, mentionable gains are to be seen at only Cleveland, Hartford, Salt Lake City, Denver, Rochester, Wichita and several less prominent cities.

The aggregate for the period since Jan. 1 is very much less than a year ago. The disbursements arranged for at the identical 164 cities reach \$582,785,917 as against 790 millions in 1916 and 625 millions in 1915. Greater New York's figures are 87 millions, 187 $\frac{7}{8}$ millions and 134 $\frac{1}{2}$ millions, respectively, in the three years, and for the other cities collectively the total is 495 $\frac{3}{4}$ millions, 602 millions and 492 millions. Twenty-three cities in New England exhibit a loss of 11 millions, and 41 places in the Middle Section (New York City excluded) show a falling off of 34 $\frac{3}{4}$ millions. The Middle West (28 cities) records a diminution in total of over 41 millions, of which 32 millions at Chicago, but there is a nominal gain in the aggregate for 15 Pacific Coast points. The "Other Western" division, comprising 25 cities in the territory west of the Mississippi River, show a loss of 17 millions, to which Minneapolis, St. Paul and Duluth were the principal contributors; at the South (31 cities) a decline of 2 1-3 millions is disclosed.

Returns from Canada give but little cause for comment, for, while the few reports at hand indicate a little more doing than in September a year ago, construction work in the Dominion as a whole remains in the comparatively inactive state noted month by month since the breaking out of the European war.

At the close of the second week of the campaign to market the second offering of Liberty Bonds, the total of subscriptions is substantially \$2,000,000,000. The Government asks \$3,000,000,000 as a minimum, but Secretary McAdoo reserves the right to make allotments of one-half the surplus subscriptions over the minimum. The plan and the hope are that subscriptions of at least \$5,000,000,000 (which will mean an allotment of \$4,000,000,000) will be filed, in order to show the moral force that is behind the dollars. It is obvious that a week of tremendous effort is at hand all over the country if this desirable result is to be accomplished. Enthusiasm must be promoted. A huge over-subscription would necessarily be as discouraging to the enemy and as effective a war feature as the appearance of a large American army in France. A demonstration of our

unity, our loyalty, our overwhelming strength and wealth, will tend more than anything else to bring the enemy to his senses. The German people have been informed that Americans would not submit to conscription, and that they are so lukewarm as to make it impossible to voluntarily raise a large army. What now is most needed is that the enemy in no equivocal way may learn that our people to a man are behind the Government. Here lies the duty of every American citizen and every foreign resident in our country.

The Germans have made another bold move this week in their operations in the Baltic and in furtherance of their supposed advance on Petrograd. The Russians already are said to be evacuating Reval, the naval base on the south shore of the Gulf of Finland, opposite Helsingfors, according to the "Novoe Vremya" of Petrograd. The evacuation began on Tuesday and was made necessary by the operation of the German fleet in the Gulf of Riga and the threat of a naval campaign into the Gulf of Finland. Reval is about 200 miles from Petrograd. The latest advices suggest that the German fleet has trapped a score of more Russian vessels in Moon Sound, which is an inlet of the Gulf of Riga. According to official German accounts these Russian vessels are completely bottled up, but Petrograd suggests that they may yet escape. The Germans have captured Oesel and Dago Islands in the Gulf of Riga and seem also to have seized Moon Island. These islands, presumably, will be used for bases for a naval offensive against Viborg, Reval, Kronstadt and finally against Petrograd. The Russians gave battle to the Germans on Thursday, attempting to force back the enemy armada off Oesel Island. They were outclassed, however, and one Russian battleship, the Slava, a relic of the days before the Russo-Japanese War, was sunk. Other units were so badly damaged that the entire Russian flotilla was forced to seek refuge in Moon Sound.

It seems obvious from these operations that recent reports of mutinies in the German naval fleet and also of disaffection in the Austrian fleet in the Adriatic, and of friction between German and Austrian seamen are not as serious as at first reported. These various reports are largely circumstantial. German sailors at Ostend are reported to have declined to go aboard submarines for duty and are said to have thrown overboard one of their officers. In the Adriatic Austrian seamen have mutinied, owing to ill treatment by their officers and unsatisfactory food. The bitterness of feeling between the Germans and Austrians at Pola, Austria's naval base in the Adriatic, is said to have resulted in a fight in which men on both sides were killed. The trouble is said to have been due to the overbearing conduct of the German seamen who were attached to the submarine flotilla. It was necessary as the result of the bad blood thus caused, to change the German base in the Adriatic to a point further south. But one swallow does not make a summer, and it does not appear unreasonable to consider these uprisings, while perhaps symptomatic of more or less general discouragement and unrest, as isolated instances.

Otherwise the week has not witnessed particularly important contests. In Belgium, the British and French guns still are battering the German positions

but there is no evidence, either official or unofficial, of when renewed infantry operations may be expected. French troops on the southern portion of the line have succeeded in repulsing strong German attacks in the Verdun sector near Bezonvaux and also along the Ainse front on the Vauclerc plateau. Along the whole Austro-Italian line moderate artillery actions have been recorded with some local fighting. Large Austrian parties (quoting the official statement from Rome) were dispersed in the Giudicaria and Dogna valleys. Austrian storming parties southwest of Selo on the Carso plateau were repulsed. On Wednesday intensive air fighting was reported between the French and the Germans, 11 German planes being driven down by French aviators, making a total of 36 destroyed up to that time this week. The German office asserts that 13 French machines were destroyed. There have been no additional air raids over London reported, though when the moon becomes brighter to permit night operations a new series of raids is expected. On Tuesday last formal announcement that England intends to make reprisals in kind for the German air raids on unfortified British towns, was made in the House of Commons by Bonar Law, Chancellor of the Exchequer. He stated that it was the Government's intention to make air raids and bombard German towns "as far as the military needs will release the necessary machines." Meanwhile the British have been bombing German bases in Belgium quite freely this week. Germany has extended military service to men 47 years of age and is calling up those who heretofore escaped service on account of military unfitness. The German army already includes a large number above the legal limit of 45 years, the authorities taking the ground that, though nobody above that age could be mobilized, yet no requirement existed for the discharge of a soldier reaching that age while in service. The new regulation calls to the colors all exempt born after Sept. 8 1870. Austria's army has been so worn down that it has been necessary to draw upon the Landsturm for men for first line duty.

Two American naval casualties, the first of the war, were reported by the Navy Department this week. The first occurred on Wednesday. A German submarine attacked an American destroyer which was on patrol duty, and although the vessel was severely damaged by a torpedo she was able to make port. One man, a gunner's mate, was killed, being blown into the sea by the force of the explosion of the torpedo. Five other men were wounded. The official report forwarded by Vice-Admiral Sims gives few details, but it is assumed by the Navy Department that there was no fight and that the U-boat made good her escape after launching a torpedo without showing herself. The name of the destroyer and the location of the attack have not been made public.

The second casualty was reported yesterday afternoon and was more serious. It was the sinking of the American transport *Antilla*, formerly a coastwise steamer operating on the Morgan Line. Fortunately, the *Antilla* was returning after discharging American troops in France. Sixty-nine were lost out of the total of 170 on board. Those lost included 30 soldiers; the remainder were members of the crew.

It is difficult to obtain from the reports received by cable this week any connected and satisfying

idea of the strain that undoubtedly exists in official circles in Germany. It seems quite reasonable to believe that important changes, including the retirement of Dr. Michaelis, the Chancellor, are impending. The "Deutsche Tageszeitung" of Berlin is quoted as saying that Count Czernin, Austro-Hungarian Foreign Minister, recently requested the German Chancellor to state Germany's peace terms, urging that concessions be made in the West. Count Czernin received a vague reply, whereupon he stated that he could no longer negotiate with Dr. Michaelis as the latter made vague statements when clearness and frankness were imperatively necessary. These developments are declared to have made a great sensation, being particularly illustrative of the fervent desire for peace on the part of Austria. A German Socialist newspaper declares that the Socialists have decided to vote against the new war credit of 10,000,000,000 marks (which is to be submitted to the Reichstag in December) unless Chancellor Michaelis resigns. The German Kaiser arrived at Constantinople on Tuesday. He was met at the station by the Sultan, the Imperial Princes, the Grand Vizier, ministers, senators, deputies and other prominent personages. The Emperor's reception was imposing. The Emperor then proceeded to inspect the defenses in the Dardanelles. Vice-Admiral von Cappell, the German Minister of Marine, was reported early in the week to have resigned. He has been an active defender of U-boat frightfulness. Later advices seem to cast some doubt upon his reported retirement.

Another favorable report was furnished by the British Admiralty on Wednesday concerning the results of the German submarine depredations. Only 12 vessels of more than 1,600 tons were sent to the bottom and 6 under that size, also one fishing vessel. In the previous week 14 vessels of 1,600 tons were lost, 2 under that tonnage and 3 fishing vessels. Losses to Italian shipping were 4 steamers over 1,600 tons and the French losses were 1 merchantman over 1,600 tons and 1 under that size. The Norwegian Foreign Office reports that the Norwegian steamships *Darbro* of 2,356 tons gross and *Hovde* of 1,196 tons gross have been sunk by German submarines. A dispatch from Copenhagen quotes Count zu Reventlow, who is supposed to be in the confidence of the German Admiralty as intimating in a German newspaper article that a decrease in submarine destructiveness in September as shown by German statistics will be published. Reventlow advances the theory that Great Britain has withdrawn ships from service for the remainder of the year in order to have them in readiness to transport the Argentine harvests in January. These withdrawals decrease the opportunities of the submarines for sinkings. Sudden changes in the routes of ships, too, are making it increasingly difficult for submarines to find their prey. He attributes to American authority a statement that the voyage of passenger liners between America and England now require 26 days.

Advices cabled from Rio Janeiro announce that the Brazilian Government purposes to utilize seized German steamers for the organization of international steamship lines. Vessels will fly the Brazilian flag and will be used in the interest of Brazil and the Allies. The crews of the vessels will be made up of Brazilians. Brazil severed diplomatic

relations with Germany on April 11 1917 and seized 46 German merchant ships laid up in Brazilian harbors.

In the London markets the German naval and military successes in the Gulf of Riga appear to have about nullified the effect of the British advances in Flanders. There has been some realizing of the 5% war loan following the recent advance in quotations, but with an easier tendency displayed by the money market quotations for investment securities have not declined on a large scale. Russian bonds reflected the war news by moderate declines. Official announcement that up to last Saturday no less than £38,000,000 of the new national war bonds had been sold was interpreted favorably. So also was the evident weakening of the German U-boat campaign, as well as the news of the revolts in the German and Austrian navies. The London joint-stock banks on Wednesday began to transfer to the Bank of England the subscriptions received by them to the national war bonds, but the heavy maturities of Treasury bills served to keep money in a comfortable position. Another batch of Russian credit bills has been arranged at the British centre at 4 13-16%. The speculative demand for English securities appears to have shifted from stocks of high yield to what may be termed speculative peace securities, namely those with a low present yield or no yield at all, but with prospects of advances based upon peace activities.

The London County & Westminster Bank announces the absorption of the Ulster Bank (Ireland), following the acquisition of Irish connections by the London City & Midland through the Belfast Banking Co. The Ulster Bank has a capital of £3,000,000 subscribed but only £500,000 paid in. Its deposits are about £12,000,000. Its shareholders will receive for each one share they hold, two-thirds of one share of the purchasing bank plus £2:10 cash.

Consolidation of shipping companies appears to be proceeding quite as freely as among banks. The Royal Mail Steam Packet Co. and the Lamport & Holt Co. have purchased the controlling interest formerly owned by Nicholas Mihanovitch in the Argentine Navigation Co., which owns more than 300 vessels. French companies, three in number, also are taking substantial interest in the Argentine concern, these companies being the Transport Maritimes, the Chargeurs Reunis and the Compagnie Sud-Atlantique. An Italian shipping company, the Transatlantica Italiana also has taken a substantial amount of the Argentine concern stock. All the Entente companies named will be represented on the board of the Argentine concern, which will retain its separate identity.

A new company has been formed in London, entitled the Furness Shipbuilding Co., of which Lord Furness is Chairman. Its objects are shipbuilding and repairing, and its capital is £650,000. Munro Sutherland, of Newcastle-on-Tyne, has purchased six steamers from the International Steamship Co., of Whitby, at a price, it is stated, of £440,000. Mr. Sutherland is a director of several tramp lines.

The British Parliament reassembled on Tuesday after a recess of two months. One of its first duties will be the authorization of a new vote of credit. Action in this respect is expected early next week.

The official Treasury statement of the expenditures and receipts for the week ending last Saturday shows expenditures of £46,660,000, against £55,965,000 the week preceding. The total outflow, including the repayment of Treasury bills and advances, was £89,349,000, against £149,481,000 the week preceding. The repayment of Treasury bills amounted to £34,104,000, against £77,962,000, while the repayments of advances were £8,500,000, against £15,500,000. The revenues aggregated £18,153,000, comparing with £19,885,000 for the week ending Oct. 6. The total inflow, including sales of bonds, treasury bills, &c., was £89,887,000, against £146,095,000. The Treasury bill issues were £50,776,000, against £69,139,000. Other debt incurred amounted to £16,896,000, against £26,067,000. The national bond sales were £7,809,000, against £6,154,000. The Treasury balance at the close of the week was £18,855,000, against £18,318,000, while the outstanding Treasury bills amounted to £956,793,000, against £940,238,000.

The imports into Great Britain for the month of September register a decline of £14,300,000 from the August figures. They nevertheless indicate an increase of £8,859,000 over September 1916. The September exports also were well below those of August, showing a loss of £6,500,000 and were also slightly (£233,000) below the figures of the corresponding month last year. Cotton goods exported in September totaled 420,448,000 yards, against 461,698,000 yards in September 1916. Following are the Board of Trade figures of imports and exports for September and for the nine months ending with that month:

	September		Since Jan. 1	
	1917.	1916.	1917.	1916.
Imports.....	£86,299,183	£77,440,183	£777,950,300	£703,029,500
Exports.....	43,244,677	43,477,677	394,129,571	379,147,745
Excess of imports.....	£43,054,506	£33,962,506	£383,830,729	£323,881,755

Financial Paris continues without important feature. Paris omnibus shares have displayed considerable irregularity because of the labor troubles. The Saturday sessions of the Bourse, which have been resumed, are unpopular, especially as the banks close at noon. The Transatlantique (French Line) is issuing 140,000 shares of ordinary stock of 150 francs at 235. It has reserved for old shareholders a proportion of 1 share of new for two of the old shares. An estimate based on official statements gives the following as the French crops for 1917: Wheat, 3,950,000 metric tons, against 5,841,070 metric tons in 1916; spelt, 90,000, against 111,427 tons; rye, 700,000, against 911,632 tons; barley, 700,000, against 857,940 tons; oats, 3,500,000 tons, against 4,127,960 tons. The American Consul-General at Paris reports that the permission to export canned and preserved fruits to the United States and other Allied countries in derogation of the embargo has been withdrawn by a Ministerial order of Oct. 13. Special licenses will now be required for the exportation of such fruits to any country.

A report on German food conditions (received by way of London) purports to give the results of an investigation by the German Chancellor of the 1917 crops. The yield of food will, it is stated, be 40% lower than in more nearly normal years for wheat, and 45% lower for rye, oats and barley. The total harvest of wheat and rye is 7,500,000 tons, as compared with 13,000,000 tons in 1915. The shortage

will be partly compensated from Rumania. The report states that the food situation in Germany this coming winter will depend mainly on the potato harvest. Potatoes are now being delivered with fair regularity, but should frost, lack of labor, or other reasons cause a shortage it will spell disaster. The situation in Austria-Hungary is said to be worse than in Germany.

Field Marshal von Hindenburg and General von Ludendorff have received leaders of the German trades unions who presented complaints against the regulations issued by department heads of the army limiting, or in some cases, paralyzing the freedom of action of the unions. The outcome of the conference has not been announced. The Prussian Diet reassembled on Wednesday. Announcement was at once made that the franchise reform bill which the Emperor ordered to be submitted in time so that elections could be held under the new system, probably would not be ready before December. At best only the formal first reading is expected before Christmas and there seems little chance that the debate can be concluded before the terms of the present members of the Diet expire.

The Bank of France this week announced a further increase in its gold holdings, this time of 1,784,725 francs. This brings the total (including 2,037,108,500 francs held abroad) to 5,324,500,975 francs, comparing with 4,885,784,692 francs (of which 674,558,075 francs were held abroad) in the corresponding week last year, and 4,692,674,062 francs (all in vault) in 1915. Silver holdings decreased 2,078,000 francs. Bills discounted showed a gain of 14,233,000 francs, and the Bank's advances also gained 10,052,000 francs. Notes in circulation increased 72,227,000 francs. Treasury deposits were increased 10,347,000 francs and general deposits 37,841,000 francs. Notes in circulation are now 21,680,179,800 francs. At this time last year the total was 16,800,016,425 francs and in 1915 13,831,993,620 francs. In the week ending July 30 1914 the amount outstanding was 6,683,184,785 francs, that being the last statement issued by the French Bank after the outbreak of the war until Dec. 24. Comparisons of the various items with the statement of a week ago and the corresponding dates in 1916 and 1915 follow:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

		Changes for Week.	Status as of—		
		Francs.	Oct. 18 1917. Francs.	Oct. 19 1916. Francs.	Oct. 21 1915. Francs.
Gold Holdings—					
In France.....Inc.	1,784,725		3,287,392,475	4,211,226,617	4,692,674,062
Abroad	No change		2,037,108,500	674,558,075
Total	Inc. 1,784,725		5,324,500,975	4,885,784,692	4,692,674,062
Silver.....	Dec. 2,078,000		256,965,022	328,560,402	363,291,901
Bills discounted.....	Inc. 14,233,000		606,337,604	452,150,469	268,326,000
Advances.....	Inc. 10,052,000		1,137,451,719	1,188,490,577	575,512,316
Note circulation.....	Inc. 72,227,000		21,680,179,800	16,800,016,425	13,831,993,620
Treasury deposits.....	Inc. 10,347,000		36,662,549	79,451,276	82,594,291
General deposits.....	Inc. 37,841,000		2,857,535,757	2,541,755,921	2,574,027,430

There has been no change in official rates at leading European centres from 5% in London, Paris, Berlin, Vienna and Copenhagen; 5½% in Italy, Portugal and Norway; 6% in Petrograd and 4½% in Switzerland, Holland and Spain. In London, the private bank rate continues to be quoted at 4¾% for sixty days and 4 13-16% for ninety days. Call money in London is still quoted at 4%. No reports have been received by cable of open market rates, as far as we have been able to learn. The Bank of Sweden advanced its bank rate on September 28 from 5½% to 6%.

The Bank of England has added to its stock of gold, reporting, as against a decline last week, a

gain of £546,567. Note circulation decreased £39,000; hence total reserves were expanded £586,000. There was, however, a large expansion in loans and as a result the proportion of reserve to liabilities declined to 18.79%, against 19.90% last week and 23.30% a year ago. Public deposits were increased £546,000, while other deposits showed the substantial expansion of £12,444,000. Government securities increased £960,000. Loans (other securities) were increased £11,415,000. The Bank's gold holdings aggregate £56,035,326, as against £56,455,151 a year ago and £58,885,570 in 1915. Reserves total £32,846,000 on which compares with £38,237,291 in 1916 and £44,762,225 the year before. Loans now stand at £100,309,000, as contrasted with £101,389,822 the preceding year and in 1915 £98,618,395. The English Bank reports, as of Oct. 13, the amount of currency notes outstanding as £165,628,761, against £164,479,242 the week previous. The amount of gold held for the redemption of such notes is still given as £28,500,000. Our special correspondent is no longer able to give details by cable of the gold movement into and out of the Bank for the Bank week, inasmuch as the Bank has discontinued such reports. We append a tabular statement of comparisons:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1917. Oct. 17.	1916. Oct. 18.	1915. Oct. 20.	1914. Oct. 21.	1913. Oct. 22.
Circulation.....	£ 41,639,000	£ 36,667,860	£ 32,573,345	£ 34,798,900	£ 28,674,890
Public deposits.....	42,731,000	55,589,446	46,128,445	15,764,074	5,951,439
Other deposits.....	132,069,000	108,495,580	98,380,914	143,068,390	41,321,966
Govt. securities.....	59,231,000	42,187,840	18,896,781	24,074,087	13,488,105
Other securities.....	100,359,000	101,389,822	98,618,396	108,787,978	24,929,023
Reserve notes & coin	32,846,000	38,237,291	44,762,225	43,713,856	26,601,438
Coin and bullion.....	56,035,326	56,455,151	58,885,570	60,062,756	36,826,328
Proportion of reserve to liabilities.....	18.8%	23.30%	31.00%	27.50%	56.25%
Bank rate.....	5%	6%	5%	5%	5%

Last week's statement of New York associated banks and trust companies, issued on Saturday, showed a further heavy increase in loans as well as gains in both aggregate and surplus reserves, largely as a result of preparations for the Liberty Loan, and returns to the banks of dividend and interest disbursements. Loans were expanded by no less an amount than \$95,438,000. Net demand deposits showed the almost phenomenal increase of \$129,039,000, to \$3,651,097,000 (Government deposits of \$173,448,000 deducted), while net time deposits gained \$12,295,000. Cash in own vaults (members of the Federal Reserve Bank) registered an expansion of \$9,623,000 (largely due to the inclusion of the Guaranty Trust Co. for the first time as a member bank) to \$99,805,000 (not counted as reserve). Reserves in the Federal Reserve Bank of member banks increased \$98,598,000 (this change also being influenced by the transfer of the Guaranty Trust Co. from the Trust Company Group to the Member Bank Group) to \$465,633,000, as compared with \$171,012,000 a year ago. The reserve in own vaults (State banks and trust companies) declined \$6,162,000 (the elimination of the Guaranty Trust from under this head affecting this change likewise) to \$65,784,000. Reserves in other depositories (State banks and trust companies) were reduced in the large sum of \$62,922,000 by reason of the elimination of the Guaranty Trust, to \$72,415,000. Circulation is now \$32,448,000, an increase of \$172,000. The aggregate reserve showed the substantial increase of \$29,514,000, to \$603,832,000 (not counting \$99,805,000 cash in vault of member banks of Reserve system), which compares with \$632,929,000 in 1916, cash in vault of member banks being then included.

bills are just a shade firmer, but otherwise the week's net alterations are trivial. There have been no engagements of gold for export from New York this week.

As regards quotations in detail, sterling exchange on Saturday, compared with Friday of a week ago, was quiet but steady and without essential change. Demand ruled at 4 7515@75 3-16, cable transfers at 4 76 7-16 and sixty days at 4 71@4 71½. Monday's operations showed only trifling changes in rates, although the trend was toward increased ease, as a result of unsatisfactory mail service; there was a decline to 4 7510@4 75 3-16 for demand, while sixty days continued at 4 71@4 71½ and cable transfers at 4 76 7-16. Sterling rates on Tuesday were maintained at the levels of the preceding day and the tone was about steady. On Wednesday a slight improvement in the inquiry, incidental to announcement of a mail steamer having been scheduled to sail at the end of the week, brought about a fractional advance in demand bills, which rule all day at 4 7520; cable transfers and sixty day bills remained at 4 76 7-16 and 4 71@4 71½, respectively. Extreme dullness was evident on Thursday and demand was again a shade easier, at 4 7517½@4 7520, although cable transfers were not changed from 4 76 7-16 and sixty days from 4 71@4 71½. On Friday the market was dull and featureless and rates were still unchanged. Closing quotations were 4 71 for sixty days, 4 75 3-16 for demand and 4 76 7-16 for cable transfers. Commercial sight finished at 4 747⁄8@4 75, sixty days at 4 70½, ninety days at 4 68½, documents for payment (sixty days) at 4 70½ and seven-day grain bills at 4 74@4 74¼. Cotton and grain for payment closed at 4 747⁄8@4 75.

The Continental exchanges have experienced another quiet, uneventful week, with changes in rates still confined to fractions. During the earlier days the tone was irregular, with slight downward reactions, particularly in the case of rubles, which closed 14 at one time on unsettling reports from Petrograd, as well as on the news of Russian military reverses in the Riga region. Later supporting orders were put forth and most of the losses were regained, although at the close a further decline took place, with the final quotation at the lowest. Lire continued heavy, and ruled at or near last week's closing figures. Francs remained practically pegged and ruled without essential change. No dealings in German and Austrian exchange are being put through and quotations for reichsmarks and kronen are not available. The sterling check rate on Paris finished at 27.18, unchanged for the week. In New York sight bills on the French centre closed at 5 793⁄8, against 5 79½; cables at 5 77¾, against 5 77¾; commercial sight at 5 80, against 5 80¼, and commercial sixty days at 5 85, against 5 85½ the week preceding. Lire finished at 7 76½ for bankers' sight bills and 7 75½ for cables. This compares with 7 76 and 7 75 last week. Rubles, after rallying to 147⁄8, eased off and closed at 14, against 15.20 a week ago. Greek exchange continues to be quoted at 5 15½ for checks.

Dealings in the neutral exchanges were marked by some irregularity. Guilders, following last weeks pronounced rise, broke sharply and touched 42½ for checks—a drop of 3 cents—chiefly, however, on report of Great Britain's intention to cut off cable

communication with Holland. It was furthermore reported that banks desiring to deal in neutral exchange would be compelled to apply for licenses to carry on business in this class of remittances. Scandinavian rates declined in sympathy, with the exception of exchange on Stockholm which ruled strong throughout. Toward the close of the week, one or two important financial institutions entered the market as buyers and both guilders and Scandinavian exchange closed firm at fractional net advances. Swiss francs ruled steady, and Spanish pesetas were well maintained, though no specific activity was noted in either case. Bankers' sight on Amsterdam closed at 43, against 45¼; cables at 43¼, against 45½; commercial sight at 43 3-16, against 45 9-16, and commercial sight at 42 15-16, against 45 1-16 a week ago. Swiss exchange finished at 4 64 for bankers' sight bills and 4 62 for cables. This compares with 4 68 and 4 66 last week. Copenhagen checks closed at 313⁄8, against 31.75. Checks on Sweden finished at 37, in contrast with 37.50, and checks on Norway closed at 31¼, against 32.00 the previous week. Spanish pesetas finished at 23.40. The close a week ago was 23.60.

The New York Clearing House banks, in their operations with interior banking institutions, have gained \$2,910,000 net in cash as a result of the currency movements for the week ending Oct. 19. Their receipts from the interior have aggregated \$8,196,000, while the shipments have reached \$5,286,000. Adding the Sub-Treasury and Federal Reserve operations, which together occasioned a loss of \$186,554,000, the combined result of the flow of money into and out of the New York banks for the week appears to have been a loss of \$183,644,000, as follows. *It should be understood, however, that a good part of this loss represents transfers to the Federal Reserve Bank and therefore will not count as a loss in reserves.*

Week ending October 19.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$8,196,000	\$5,286,000	Gain \$2,910,000
Sub-Treas. & Fed. Res'v'e operations	32,556,000	219,110,000	Loss 186,554,000
Total	\$40,752,000	\$224,396,000	Loss \$183,644,000

The following table indicates the amount of bullion in the principal European banks:

Banks of	October 18 1917.			October 19 1916.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England..	56,035,326	—	56,035,326	56,455,151	—	56,455,151
France..	131,495,699	10,240,000	141,735,699	169,529,065	13,142,400	182,671,465
Germany..	120,199,950	5,449,900	125,649,850	125,056,000	844,000	125,900,000
Russia *	129,340,000	12,375,000	141,715,000	155,615,000	9,785,000	165,400,000
Aus-Hung.	51,578,000	12,140,000	63,718,000	51,578,000	12,140,000	63,718,000
Spain ..	77,024,000	29,385,000	106,409,000	47,177,000	29,807,000	76,984,000
Italy ..	41,455,000	2,610,000	44,065,000	37,783,000	3,109,000	40,892,000
Netherl'ds	56,326,000	600,900	56,926,900	48,946,000	515,700	49,461,700
Nat. Bel. h	15,380,000	600,000	15,980,000	15,380,000	600,000	15,980,000
Switz'land	13,965,000	—	13,965,000	11,533,400	—	11,533,400
Sweden ..	11,362,000	—	11,362,000	9,499,000	—	9,499,000
Denmark.	10,584,000	158,000	10,742,000	8,647,000	221,000	8,868,000
Norway ..	7,031,000	—	7,031,000	6,274,000	—	6,274,000
Tot. week	721,775,975	73,558,800	795,334,775	743,472,616	70,164,100	813,636,716
Prev. week	718,419,029	73,693,600	792,112,629	740,323,063	70,609,130	810,932,193

a Gold holdings of the Bank of France this year are exclusive of £81,484,340 held abroad.

* The gold holdings of the Bank of Russia for both years in the above statement have been revised by eliminating the so-called gold balance held abroad. On the latest reported date, the amount so held, £230,880,000.

c July 30 1914 in both years. h Aug. 6 1914 in both years.

NEW PLANS OF WAR FINANCE.

While our Government is bringing to completion its canvass for the second war loan, only four months after the first, and while the seventh German war loan is following the sixth at an interval of six months—both operations being in long-term funded loans—the British Government has introduced a form of financing new to the London market. Its results, the more hopeful Londoners have predicted, may defer indefinitely the necessity for another large funded loan.

The offer consists of short-term 5s subject to tax, or, optionally, of 4s free of the normal income tax. They are offered at par, the amount is unlimited and the investor has the choice of 5s repayable after five years at 102, after seven years at 103, or after ten years at 105, or of 4s repayable after ten years at the issue price. This contrasts with a term of thirty years for the latest 5% war loan sold at 95 (the Government having the option to redeem in 1929), and with a term of twenty years, with optional redemption in twelve years, for the 4s then sold at par—both being redeemable at par.

But the shortness of the term of the new bonds (which of course makes the increment of value in the redemption price considerably greater) is not the only novel feature of the new National War Bonds. The bonds may be purchased at any of sixty-six designated English banks, or may be obtained by mail from the Exchequer's London agency, and they must be paid for in full on application. It will be seen that the idea is to have a stream of capital constantly flowing into the Exchequer, thereby avoiding, so far as may be, both the heavy interim borrowings for the banks for three to nine months, and the engaging in a great operation for a single war loan, with a definite term fixed for subscriptions and with installment payments spread over a period of months.

This English plan is not in all respects a new expedient. Something resembling it was tried at the very outset by the French Government, whose "bons de la defense nationale" were sold during many months over the counter, without limitation as to amount or as to the time of subscription. Between September 1914 and the end of 1915 such bonds, sold at 95 to 99 and bearing 4 to 5% interest, were disposed of in the sum of 1,591,000,000 francs. As a rule they ran, however, no longer than twelve months, and therefore amounted really to Treasury bills placed with the general public.

The result of the French financing was on the whole good, but it could not be more than a stop-gap. At their early maturity the bonds had to be redeemed in a new loan, and therefore, when a sufficient number had matured, a formal offering of long-term bonds became necessary. The idea which has governed the fixing of maturities in the new English bonds is evidently that the dates assigned will fall after the ending of the war. Thus far the British Government has financed the war largely through Treasury bills placed with the English banks. The entire war finance between the middle of 1915 and the issue of the last British war loan was conducted on that basis. One of the problems of the new experiment, therefore, will be to what extent the new bonds are taken by banks and to what extent by the general public. The intent at least appears to be that the public will take them.

Thus far in the war it has been a remarkable fact about English war finance that the prodigious burden has so little disturbed the position of the English banks or the steadiness of the London stock and money markets. The Bank of England in particular has apparently acted only as a source of temporary credit; its loans to the Exchequer have been duly paid off when the particular need of the occasion had disappeared. It has issued no notes whatever against Government obligations, like the banks of France and Russia, whose increase in circulation during the past twelve months, amounting to \$880,000,000 and \$3,500,000,000, respectively, was

due almost entirely to advances to their Governments. How far the German Government financing has been similarly conducted it is difficult to say. The last annual report of the Bank of Germany is not clear on that point, but its statement appears to indicate that advances to the Government have been mainly arranged by private banks, the Reichsbank facilitating the process by its enormous rediscounts (\$1,000,000,000 in a single week, on one occasion) whenever those private institutions had to make their quarterly reports.

This new English procedure may conceivably turn out to throw some light on the program of finance by other Governments in the longer future. More than most people realize, the experiment which our own Government is trying is new in all the war finance. England has been extremely careful to allow a generous interval for capital to accrue between the dates of her large funded war loans. Of these, indeed, she has issued only three—one in the autumn of 1914, one in the summer of 1915 and the third last February. There was opportunity for incomes and profits to accumulate in private hands during such a lapse of time. This fact, combined with the very careful and scientific adjustment of taxes so as to raise the maximum of revenue with a minimum of friction and unsettlement, explains both the absence of irritation or complaint and the composure of the stock markets after their first drastic readjustment on the removal of minimum prices. Even in the case of Germany a six months' interval has regularly been left between the war loans, and meantime the German war taxes have been almost negligible.

In our own case we are issuing our second large war loan barely four months after the first, and are doing so at a moment when taxes are being increased at a single stroke almost as much as those of England were increased in the course of three or four separate budgets—each of which was an experiment whose good or bad results guided the Exchequer in arranging for further taxation. One need not be severe in arraigning the recent Congress, in order to prove that no such system has been employed in our own arrangement of the tax levies. At all events, it is at least reasonable to ask, in the light of the experience and action of England with her war loans, whether we are not reckoning somewhat blindly on an unlimited fund of perpetually available capital.

For this reason the English experiment will be watched by our own financiers with great interest. In some important respects, the plan resembles the notably successful canvass of Jay Cooke in 1863 and 1864 for the Civil War loans; which were sold like merchandise, through canvassers who operated throughout the country in the manner of book agents, and of which \$800,000,000 were placed in a little over twelve months, when the Wall Street market had seemed unable to absorb them. The case is not wholly analogous, because the reserves of capital in every country have already been drawn upon in a degree to which the early Civil War years give no precedent. Nevertheless, it is at least a possibility that in the course of events the plan and general machinery of war finance through Government credit will have to be adapted to new circumstances, in this country as in others. This is the consideration which gives special value to the economic test which England is now applying to the market.

THE "FRIEND IN NEED": A UNITED STATES BOND.

But one more week remains in which to subscribe to the great war loan. Thousands of keen and enthusiastic workers are engaged in presenting reasons why the citizens of the country should buy these bonds. And from every conceivable standpoint it is being shown that the people should come to the aid of the Government.

Secretary Wilson is to be thanked for reciting to the American people the beautiful fable, or allegory, of the tiny raindrop that wished to go down to aid the parched lands and withering crops, but was deterred by a sense of its own littleness, when its companion in the clouds replied, "If you were to go alone it would avail nothing; but let us all go down together and our 'combined effort will bring relief'"—with the result that a shower saved the crops.

Certainly no possible suggestion in the presentment of patriotic duty is wanting. But may it not be worth while to present the other side of the shield, and show more insistently what the Government is doing in aid of the individual by this necessary bond issue? Not that this is a cause, but that it is an effect. And in doing this we need not stress the fact that bonds prevent the whole weight of the war burden from falling in taxes upon a few current years. Rather let us consider these bonds as they will exist in a time of peace. Though there may seem to be a paradox, there is none, for this tremendous need must be met. And he who helps himself by the act of helping others takes nothing from the good of the result obtained. When the war is finally over, these bonds, to the owners of small amounts, will embody an unrivalled investment security.

It is a well-established principle in investments that security should never be sacrificed to the allurements of a high rate of interest. It *may* be sacrificed by those who have funds and property enough, and variety of investments sufficient, to warrant them in assuming the risk or in "taking a chance." But the small saver cannot afford to take any risk. So well recognized is this that strict laws are thrown around investments that savings banks may make out of their deposits. When the purchaser contemplates the security offered by one of these present war bonds, he does not have to think long, for the veriest tyro knows that, backed by all the wealth and energy of the entire people, and the taxing power of the Government, no stronger investment security can be offered in all the world to-day!

Now the owner of one of these bonds, whatever be the vicissitudes of life in the years to come, cannot have a more faithful friend. Just as long as there is a bank, as long as commercial credit exists, as a normally helpful agent in human affairs, this bond will come to his relief. It is a form of credit which can immediately be converted into a personal credit for an amount as nearly approaching its face as affixes itself to any other form of security. And when all other friends fail, this friend will remain steadfast. And no man knows all that the future holds for him. The man of small means is peculiarly at the mercy of the great changes in commerce and finance. In proportion to the United States bonds, of the present issue he holds, he becomes immune.

To those able to invest millions, the investment and its security quality, are no less attractive. If conditions in this country, in the financing of the war,

shall even approach those in other countries, the time may come when other investment securities held may be commandeered by the Government as a basis for future bond issues. No quasi-conversion of this sort can affect the status of these United States bonds. All things considered, all possibilities of the future discounted, all of the entanglements of business under present control laws estimated, it is doubtful if there exist to-day a better investment for large means and idle capital than this issue of war bonds. And the friend in need to the man of big business is "a friend indeed!"

So that, though patriotism impels, self-interest commands. It does not matter whether the present wealth of the United States be appraised, so far as these bonds are concerned, at one hundred and fifty or two hundred and fifty billions of dollars, the toil of the people for twenty-five years to come is pledged to pay these bonds. And while the individual holder of a bond must pay a part of this toll, at the same time every other man in the country is working in some way to furnish a fund to pay interest and principal. Other friends may prove false, other circumstances may bring down disaster, but this friend, this bond, will not change its character while the Government stands and the people remain true to their obligations.

STANDING AND PULLING TOGETHER—DESTROYING FOOD PRODUCTS BY FIRE.

The article in our issue of last week concerning fire waste and hazards received a forcible emphasis by the destruction, on the same day, of the group of buildings at the foot of Pacific Street, Brooklyn, known as Dow's Stores, and while that fire was raging, three others broke out in storehouses and industrial plants in or near Brooklyn. The larger fire started on Saturday morning, directly following a holiday, in the tower of one of these buildings, and was driven by the west wind towards the others, so that saving any of the group became impossible. The buildings were used for grain, and grain formed their contents. The reported insurance on the buildings was \$511,410; that on the grain contents was \$944,150, on corn, oats, buckwheat and barley; about 85% of the loss on contents seems to have been on barley, and no mention is made of wheat, so that the destruction is not quite as serious as if it had been of wheat.

These buildings were old and of ordinary flimsy construction, with abundant floor openings. The only fire protection mentioned in the underwriters' reports was a "cask and three pails on first floor of each store, on each floor of cupolas, and on each floor of machinery building above the first"; there is mention also of a night watchman, a time detector clock, two calls during night in cupolas, also outside watchman, an outside fire alarm connected with the central station, and a standpipe. The largest fire begins as a very small one, and there is no evidence that any serious precautions had been taken for either extinguishing or detecting an incipient fire; no sprinkler system, no portable extinguishers, and not even a roof-tank are mentioned, nor does there seem to have been any such guarding as is now appropriate. A nearby resident reports that on two Sundays within the last few months he visited this place, strolled about the buildings, stepped on board tugs and loaded barges at the docks, but he attracted no attention, met no challenge, and saw nobody who

appeared to have any interest in casual visitors. We also hear from private sources that a number of farmers' barns in the central part of this State have burned this season, and always after the crops had been gathered. A stockyard fire in Kansas City, assumed to have been incendiary, has also further reduced the available supply of fresh meat during the past week.

Suggestions of spontaneous combustion and of dust explosion are made as to this Brooklyn fire, but they are less than probable even if plausible; these fires in grain stores are too many and have too obvious a motive. Warnings were given early in the season, but precautions appear to have been largely neglected. Whether this destruction of food and of other material, especially needed and valuable now, is by deliberate arson or by the old habitual American lack of care, it comes by act of an enemy; upon either supposition, it is a crime against humanity. There is a scarcity of labor, we painfully know; but where are all the men, young and old? The war has not yet destroyed any, and although a goodly number are withdrawn, there must be enough left, even if we must count those unfit for military duty, to guard the precious stocks upon which everything depends.

Have we been, and are we to-day, acting up to the duty of self-preservation and the duty owed to the world, in this matter? Are we standing and pulling together here? The question is for the judgment and conscience of every good citizen, and it demands an answer.

Turn from this to the great loan which is urged upon our attention by placards posted everywhere, in street and store, and by several advertisements on several pages of each daily newspaper issue; are we standing and pulling together upon that? Not thus far. Both city and country are lagging behind, although it is to be expected that the energy and the enthusiasm will intensify from now to the end, as with the loan of the summer. On the score of personal selfishness in the disposition of money, this loan is less attractive to the very rich than was the other issue, but more attractive to the great mass who are not touched by surtaxes and not concerned about taxes on inheritances. Thus far, the owners of large incomes appear to be somewhat halting, and the great salaried and wage-earning mass are taking insufficient notice.

The loan will unquestionably be fully taken, yet it cannot be a full success unless it wins the widest distribution and becomes in every sense popular; the verdict and the effect lie with individual workers, rather than with capital. It should be reiterated and beaten in upon men and women, everywhere and until the last hour, that the load should be taken by current savings and not by past accumulations.

A local banker in a suburban town is reported as saying that even if the savings banks are drawn upon by the loan it will make no difference to the banks, inasmuch as the money will soon return to them from the Treasury. If this banker is neither misquoted nor misunderstood, he is mistaken; any withdrawal of savings deposits for the loan will tend to increase the disturbing tendency which the loan inevitably exerts, and the advice of a large savings bank in Boston that depositors buy their bonds on installments through the bank is much better, albeit that bank errs in raising its dividend rate from 4% to 4¼% in order to forestall withdrawals. All savings banks should urge their depositors to leave their

deposits untouched and to pay for their bonds by installments taken from current savings. Thus the disturbing influence upon the financial markets will be minimized, and the effect upon the individual will be vastly better than by a single completed payment.

Here we refer, of course, to the men and women of present small size (speaking in the language of the dollar) who are, nevertheless, the bone and sinew of the nation and upon whose action the complete success of the loan must depend. Further, there are small hoards which are not even in the savingsbank, but are large in the aggregate, being in old stockings, under mattresses and inside pillows, and tucked in various holes. The owners of these idle and unsafe bits of cash should be sought out and earnestly persuaded to buy or begin buying a bond. Unless the bond is registered, the owner must see to its safety; but it is no more exposed to theft or accidental destruction than the cash, and some of the safe deposit companies have been asked (and will probably consent) to keep a small amount in bonds for a year without charge. Instead of rusting in idleness, the hoard will work day and night for its owner after it turns into a bond; the bond will always be available to sell, to use as currency in purchasing, or as security for a loan, having the maximum of convertibility. The disposition to help on the bond is so universal that nearly every employer will aid in this gradual purchase, towards which everything possible is done.

There are hundreds of thousands of men and women who have never owned a bond or dreamed of becoming investors; who perhaps have not even had a savings bank account; who have perhaps been denouncing while also envying the rich, yet have never made an effort to save a dollar. Turn those into the habit of thrift, even at the cost of a little helpful self-denial. Adopt the Poor Richard philosophy and practice of a most wise and good early American, as strong in sense as in patriotism. We need to stand and pull together, and there is no better way than by the widest distribution of this loan.

In the bond selling campaign of 1862-64 there was a rather paradoxical advertising line, "A National Debt a National Blessing." Strength grows by exerting strength, and if the huge debt which this country cannot avoid results in turning us from waste to thrift that declaration may become true.

THE MISSION OF A UNIVERSITY.

It may be said of a university, as has been said of a great book, it is "a lighthouse in the sea of time." And when the waters of human endeavor around it are beaten by storms, the light should never fail, shining pure and bright above the tumult, a warning, a guide, a comfort, whenever there is danger and fear.

Until we know what life is, and how to live it, we shall not know what education is. Wavering over questions of matter and methods, combining and separating the two, education, as a science, has proceeded through many theories, to find itself amenable at last to that "leading out," that "unfolding," which are inseparable from the progress which the science is supposed to further. Any public or State system of education can represent but a part of that comprehended in the term, for education in scope and in purpose is life itself, with all its activities, all its ideals, all its hopes and possibilities. All are students, all are teachers, in the one high school—the University of Life!

It follows that any large centre of education is essentially democratic in its nature and mission. And in this it can become no more partisan in a political sense than it can become sectarian in a religious sense. Yet in the blended elements of its being are all of politics and all of religion. And whether or not all thought be the result of outside stimuli, or, as Munsterberg put it in some of his later writings, there exists a series of parallel phenomena which are in no way a product of physiological psychology, we need to explore no recondite problems to realize that a university as an agency of popular education cannot "induce" thought by suppressing it. So that, while it is a laboratory of research, a compendium of all knowledge, a light and leading to successive generations, to fulfill its true mission it must stand above all divisional, social, economic, political and religious questions of any given period, permitting the unwasting energy of soul and mind to express itself in and through the individual.

To undertake, therefore, to direct the normal flow of thought, is to put shackles upon an educational agency, whatever be its form or special purpose. And in this, suppression by an independent endowment becomes no different in character from suppression by the authority of organized government as represented in the State. And just here, owing to the turbulence of the times, a trusteeship is in danger of error when in the interest of the State it undertakes to limit and define what shall be taught. We make no mistake here, we think, and we let down no bars for the propaganda of what is termed "disloyalty," for by these very laws of the evolving and unfolding life, the liberty and democracy of a university which embraces all of knowledge, truth and power, become the very support of a Statehood founded upon the "consent of the governed," and the inalienable right of the individual to be and to do.

At the very moment of time when a trusteeship undertakes to declare the attitude which a teacher or student shall bear toward a State's act or policy, in that moment it denies a university's own innate democracy. Policies of governments are no more fixed and continuous than is education, or life itself. The law of the land is one thing, and must and should be obeyed. An opinion of the right, wisdom and efficacy of that law, as they relate to the public welfare, is another thing, and is an inalienable right, which, in a democracy, cannot be denied or suppressed. How else can a bad law be repealed, how else can a wrongful policy be abandoned? No professor can inculcate "disloyalty" who presents to students in a comprehensive way the history and philosophy of government according to the democracy of free thought, without which a university must become an enemy of the State, if that State be in truth a representative republic.

When there is conflict of opinion and excited feeling among the citizens of a republic, aside from obeying the spirit and letter of the law, it may become as great an evil for a teacher to insist upon his view of what constitutes loyalty as what constitutes disloyalty. But teacher and student should obey the law, though they may believe it to be not in the interests of the people, or in accordance with the spirit of the Government. And one need not add that a law which is not specific and clear should be made so. There is but one conclusion to draw with reference to an educational policy as followed by

those in charge of a great and important university—it must be as liberal as the policy of the free government it would uphold. All of life is so much greater than part of it, all of time is so much more hopeful than any period of it, that a university which permits itself to become the partisan of *any* political propaganda in times of stress and passion narrows its influence and destroys its usefulness. That its light may shine steady and clear above the tumult and storm, it should keep burning the fires of learning and research that are inclusive of every aspect of life and advancement. If a State in which it exists be at war, and if, incidental to its teaching of political economy and politics, questions of war and peace enter into classroom discussions in a philosophic, comprehensive and liberal way, no harm can ensue. But he who opposes war, when the overwhelming majority of his countrymen are giving life and savings in support of it, must not abuse the privilege of freedom of speech. There is an obligation resting upon him as plain as that resting upon the university. He may not use the facilities of the university to promote an active propaganda. Still less may he by his acts and deeds place the university in a false light. He must not so spread knowledge of his beliefs as to convey the impression that it is university sentiment that he is expressing, when he is merely voicing his own isolated opinion. This rule of conduct does not appear to have been observed in the controversy at Columbia.

THE NEWSPRINT PAPER PROBLEM AGAIN.

Our last mention of this subject, about six weeks ago, left the Federal Trade Commission putting up its hands in confession of its own impotence to do what it was expressly created to do, prevent "unfair methods of competition in commerce," and recommending that Congress legislate for taking over all the mills. Just before the session closed, the Senate Committee on Printing submitted a long report, quoting and indorsing the Commission's recommendation "that all mills producing and all agencies distributing print paper and mechanical and chemical pulp in the United States be operated on Government account, that their products be pooled in the hands of a Government agency and equitably distributed at a price based upon cost of production and distribution, plus a fair profit per ton."

It is evident that newsprint paper falls under the "any necessities" in Section 6 of the Control Law, which authorizes a scheme of licensing and gives a distinct power to declare any prices or practices unjust or unreasonable and to order such to cease, or, instead, to prescribe prices for licensees. This appears as ample a control as statutory terms can establish; yet the Senate committee proposed a joint resolution (which went over to the regular session beginning Dec. 3), authorizing the Commission "to supervise, control, and regulate the production and distribution" of this article and declaring that all mills of this class in the country shall be operated on Government account; further, the Commission is to distribute the product and fix its price during the war, and then the resolution falls back upon one provision in the Control law that any concern objecting to the price tendered shall receive 75% of such price and be at liberty to sue the United States for anything further, just as in the case of coal.

It is of interest to find the Senate committee deeply concerned for the future of the press and

deeply sensible that a free press is indispensable to the national welfare. The report submits to the Senate "whether it is better to safeguard the continuance of a free press in this country by assuring it an adequate supply of print paper at a fair and reasonable price;" it declares that the general and efficient dissemination "of all proper news" is "essential to the national security and defense;" also, that "to jeopardize the existence of the press is to imperil the life of the Government itself, so dependent is a democracy upon the prompt and wide-spread information of its people; therefore, whatever affects the publication of its newspapers and periodicals likewise affects the welfare of the Government and *the necessities of such publications become in fact public necessities.*"

This statement of the service of the press (a few words of which we italicize) is sound and well put, agreeing with what we were urging all along, while some in Congress were persistently seeking to impede and penalize the press by a censorship which is liable to abuse, in the form that at last was enacted, and by putting on burdens in tax and postage rates that did go through in some modified terms. A concern for a free press which dumps burdens upon it instead of treating it as a friend and a necessary public service, and a professed attempt to help it by securing lower costs for white paper, do not comport well together.

No publisher will pretend indifference to the advanced prices of paper, whereby his profits are seriously diminished, even if he is so firmly established that he cannot perceive any menace to his business existence. There is inevitably a temptation to cry to Hercules, and to make necessity the excuse for accepting the possible consequences of a further intervention in private affairs. Early in July the vice-president of the American Newspaper Publishers' Association sent to the Chairman of the Senate committee a resolution (quoted in this report) "earnestly urging" that Congress empower the Trade Commission to fix prices, and adding that this was adopted by 2 to 1 on a referendum vote. On July 28 the committee of that Association announced a contract made with Lord Northcliffe's Newfoundland mill whereby 80,000 tons of newsprint paper annually would be available, without contract, for small publishers who have been paying the highest prices because compelled to go into the open market; the announcement stated in some detail the committee's belief that this would "result in lower prices all around."

The matter of the papermakers' trust, in clear defiance of the Sherman Act, stands where it stood when we first considered this subject; there appears to be no doubt of the fact, virtually admitted by the barren attempt of the Commission to compound the case by an agreement upon prices, following which the Commission reported that it *had* fixed them for a six months' term. Trial of the indicted members of the papermakers' committee and others was lately put forward to the 12th of next month, and a renewed hint was dropped "that an amicable arrangement might result."

As heretofore, we have not thought it best to go into discussion of prices or of the culpability of these men who seem clearly to be exposed to prosecution. As before, we deprecate any such Government intervention as proposed, for more than one reason, nor are we able to view so lightly as do some of the

publishers the prospect that the attitude of Big Brother to the press tends straight to some oversight of the conduct of the press, whereby "the continuance of a free press in this country" (vide the Senate committee's report) might be brought into some peril.

The preamble to the July resolution of the Publishers' Association alleges that "the plan of relief worked out by the Federal Trade Commission has been nullified by the fact that the Commission is without legal power to enforce its remedies." Is that "fact" really a fact? Has not the Commission had time to carry along the procedure laid out for it in the law, and then to reach the simple question whether, if the case against the trust had been sustained, the convicted parties would obey the Federal courts or defy them?

CANADA TO PLAY A NEW PART IN MEETING THE BRITISH EMPIRE'S TIMBER NEEDS.

Ottawa, Can., Oct. 18.

One of the great plans for the post-bellum trade of Canada and the United Kingdom is to direct a larger part of John Bull's timber orders towards the forests of the Dominion. At present, taking a normal year, we sell him from ten to fifteen million dollars of sawn timber. This is only a minor item in his list of wood purchases which exceed 650,000,000 board feet annually; of the latter total only one-eighth is produced within the British Isles and more than 60% of the imported balance comes from Russia.

The uncertainties of Russian export have forced the attention of the British Reconstruction Committee upon the problem of an Empire wood supply. Canada naturally becomes the centre of that inquiry for the reason that no other part of the Empire, except India, contains large commercial bodies of timber; India, in turn, is out of the running as against Baltic or Canadian sales to United Kingdom users. Australia, New Zealand, although once fairly well forested, are now large importers of timber, and the same is true of South Africa.

Canada has a total timber supply of from 500 to 800 billion feet board measure. Domestic manufacturing plants consume about $3\frac{1}{4}$ billion feet a year. There is, therefore, a great quantity of standing timber that can be utilized to replace Baltic exports to the United Kingdom. The most accessible of this timber is on the Pacific Coast of British Columbia, but large demands can be met economically from Ontario, Quebec and New Brunswick, which between them have a total timber supply of approximately 322 billion feet.

The great handicap under which Canadian timber exports have been working their way with no very remarkable speed has been the shipping rates. Taking a number of normal years, the Canadian shipment has to pay 4 pence against $1\frac{1}{2}$ pence from Scandinavian ports to the British Isles. Coupled with this has been an almost entire lack of aggressive trade representation in England and Scotland on behalf of the Canadian timber trade. Not a few complaints have been made that the smaller Canadian shippers did not keep strictly to specifications and that mill work was sometimes defective. Against the long-established exporters, however, no such evidence has been offered.

Most Canadian timber exporters recognize, however, that the only apparent method of switching

the Baltic monopoly of Britain's timber trade to Canada is by a tariff preference coupled with Government direction of shipping, both of which innovations in British policy are receiving an increasing degree of favorable attention.

**THE "SOUTHERN COMMERCIAL CONGRESS"—
THE REJUVENATION OF THE SOUTH.**

The meeting of a representative commercial congress in the city of New York, at any time, is an event of great importance and benefit to the people of the entire country. For not only is New York the country's greatest business centre, but its newspaper facilities for the dissemination of news exceed those of any other city. Then, too, the meeting of a commercial body at this time, owing to war conditions, carries with it a larger view, a wider outlook, than at any other time, for the "atmosphere" of the metropolis is surcharged with the feeling of "world interests," out of which so much is to be hoped, in a business way, in the impending future of peace, prosperity and progress. Trade, without doubt, is the greatest of unifying powers to peoples and nations.

And while we are constantly growing away from the old divisional sectionalism, it yet remains true that in industry and commerce there are favored areas which must speak in their own voice if their peculiar natural advantages and commercial and industrial possibilities are to be made known. One such area is "The South." It is not enough to say that it is now the "New South." It has made wonderful strides since Henry W. Grady, the Atlanta editor, made his famous address. Gone are the days of the Cavalier. The plantations have passed to other hands. A generation of active young men have shaken off the lethargic pride of ante bellum times, and set in motion activities that are hungrily utilizing indigenous resources. States have liberalized their laws. The nobility of labor, in contradistinction to the old idea, now permeates the spirit of endeavor. "The South" has the wealth. It now knows it. But with the growing sense of power, there is a realization not only of integral national interests, but of international trade benefits that accrue to our whole country.

Down, and up, along the Ohio, the two streams, Puritan and Cavalier, flowed and mingled, to people the great central valley, with what is not inaptly termed by some, the typical citizen of the solidified nation. And it is but now that the backward flow of that outward tide is bringing new vigor to these primal areas of development, beneficial alike to New England and the Old South, by the investment of capital, the inauguration of new enterprises, the rejuvenation of lands and peoples. And this movement is to increase in the years to come, and draw with it the accumulated reserve in wealth and energy that belong to congested centres.

Naturally, in the meeting of the Congress, hailed as the first meeting outside the borders of the Southern States, there is sounded the note of patriotism, of pride in a united national endeavor, a pride conspicuous in this section in recent years. And while a state of war may intensify this feeling, by the very nature of a commercial congress of this character we discover a deeper and more abiding idea and influence at work. It is that the South, by its intensive development, will not only help itself to come into its own, but will aid the nation in its onward and triumphant march into the markets of the

world. For, as all men know, and as investors should embrace, these Gulf States have "the goods," and can deliver them to supply the wants of the world.

Take cotton. Much as it may be desirable to diversify crops for what may be termed local independence, forever and a day the South can deliver this indispensable staple across the seas and round the world. In the rapid growth of States in South America and in Africa, it is possible, it is even probable, that other areas will show adaptability to this product, but generations must elapse before its price can return the blessings to its producers that come to the people of the South by reason of the civilization that now surrounds and impinges upon them, and exchanges with them. And in this, the great city of New York plays a major part—though cotton through the Canal to Japan illustrates another and irreducible geographical advantage and inherent strength.

Lumber may be a shorter story. But in minerals and mineral oils there is every reason to believe that a beginning only has been made. Then there are the lush grasses for cattle, that may live in the open the year round; the sedgy marshes for rice, the greatest single foodstuff of the world; while on the rising uplands corn and wheat add no inconsiderable prospect. And then there is the climate, and after all, this is the wine of life. No matter how the day may swelter, if the nights are cool. If they sell climate in southern California, they give it away in the "South." And the area? Lay Texas on the map of France. Who can measure now the possibilities applying to this region that intensified production, common to the countries bordering on the Mediterranean, may yet bring?

Not that the old regime has entirely disappeared. It is sometimes said, not unkindly, there are yet spots where the people are still living on "rice and recollections"; where they are still clinging to the "family tree" to save them from the rising floods of toil and commerce. But a little of the old chivalry and courtesy poured into the methods of business—these will ever be a welcome addition. And though the "South" never could support a magazine, as one looks over the welter of cheap fiction round about us now, a love of the old classics, and a little vanity for original poetry, if they linger on, cannot seriously harm the literary production of the day. And if politics clings to the old school of the forum and the law, there may be one clear voice left in the turmoil, and oratory may not become entirely a lost art.

It is this region and this people that now assert themselves in a commercial congress which is carried for the first time beyond the borders, and which New York as a trade and publishing centre is so glad to welcome. And we are pleased and earnest to regard the event, in its content and bearing, as of deep import to the nation at large. If the congress did no more than to herald to the capital congested here this "promised land" of the future, it would be highly significant. When the Civil War closed, as to St. Louis in the one direction, so to New York in another, there came from that devastated region, many of the sons of the section, sons of the Old South, to build new fortunes amid new scenes. They became active and influential citizens of these cities, an integral and energizing part of their advancement and of the prosperity of the common country. And they now peculiarly represent the unity of us all.

We are, indeed, one nation. This "New South," it seems almost stale, flat and unprofitable to say it, is an indissoluble part of the Union. As a people and a nation we confront a future of vast expansion, to which this region will contribute an amazing part. By an efficient coastal trade much of it will naturally be tributary to New York, reaching through it as a free port, to burdened countries across the Atlantic, helping to build up a broken world. But out and over the Caribbean lies South America. And westward, through the Panama Canal, lie the Pacific and the Orient. And down the Mississippi may yet float the argosies that shall conquer the world in peaceful and beneficent trade. "The South" needs recognition, little more.

In a time like the present, a time of stress, of hope and confidence, albeit tinged with foreboding and darkened with gloom, we must all hail the meeting of a purely commercial congress with satisfaction and interest. The night will pass and the day come—a day wherein trade will again dominate and deliver the activities of men. Circling the earth, good ships will carry the products of all countries to each, in mutual and helpful exchange. And out of international trade will come international fellowship, amity and unity—if we only will it so, and place no obstructive laws and envious rivalries in the way. To the magic endeavor our country and people will make, this fair and favored Southland will bring its hand and heart, part and parcel of the magnificent whole. And we shall all advance together.

SOUTHERN RAILWAY PROSPERITY.

If all the railroads in the country could present such satisfactory exhibits of income as are made by the Southern Railway Co. and the Atchison Topeka & Santa Fe in their annual reports just submitted for the year ending June 30 1917—the railroad situation would afford little ground for uneasiness, and railroad securities on the Stock Exchange would not be depreciating in the alarming way that has marked their course in recent weeks and months. The record of the Southern Railway Co. is the more noteworthy as in that case the regeneration is that of a property which only a few years ago appeared to have comparatively little prospects of any very high order of prosperity. Now that company submits an income statement showing a surplus of annual income above annual charges large enough to render possible the payment of dividends not alone on the preferred stock, but also on the common stock, if such a course were deemed prudent and in the line of good railroad policy.

The great industrial activity that has come to the South along with other sections of the country as a result of the war in Europe has been one element in this accession of prosperity, but the South is also enjoying large new growth from year to year in a natural and normal way (in no small measure as a result of the intelligent and far sighted way in which the transportation facilities of the Southern Railway itself have been developed for the benefit of the territory tributary to the lines of the system) and the foundations for the present success of the Southern Railway system were laid strong and deep in the original organization of the company by J. P. Morgan & Co. out of the wreckage of the old Richmond & Danville and East Tennessee Virginia & Georgia lines after previous attempts by other parties to reorganize and rehabilitate these lines had failed.

The present executive of the Southern Railway Co. is Fairfax Harrison, who is playing such a prominent part on the Railroad War Board of the Council of National Defense, and there is a note of joy running through his remarks in the report. These remarks, too, it may be said, are those of a man who has a complete and thorough knowledge of the railroad business and of railroad operations. "It has been a record year," says Mr. Harrison. "The volume of revenue, of expenses and of income, as well as the extent of improvement and betterments carried through, all reached new high levels, reflecting the good and the evil of the prosperity which has come to the South. Expanding business has brought in large returns, but it has set higher than ever before, and perhaps higher than is economically warranted, the standards of expenses. Nevertheless, until business shall again contract it would seem that the South may be expected to prosper."

Total operating revenues for the twelve months were \$81,388,325, being an increase of \$11,390,650, or 14.46%. Expenses consumed \$7,589,020 of this gain in gross, showing that the Southern Railway Co. felt the rising cost of operations the same as other systems, though not, of course, to the same extent as the great Eastern trunk lines, but the augmentation in expenses still left an improvement of \$3,801,630 in net earnings. This gain in the net is the more significant as it follows an even more striking improvement in the twelve months immediately preceding. In two years the net has risen from \$16,024,799 to \$27,758,189. The previous year, however, comparison was with poor totals in the year preceding, while now comparison is with very heavy totals. In the fiscal year 1914-15, under the sudden and unexpected collapse that occurred in the price of cotton, the South's chief staple, following the outbreak of the European war, the company had to contend with a period of severe industrial depression, and gross earnings accordingly dropped from \$70,750,997 to \$62,199,509, and net earnings from \$18,990,347 to \$16,024,799. Now the net, as we have seen, is up to \$27,758,189, while the gross has risen from \$62,199,509 to \$81,388,325. As compared with three years ago, therefore, comparison of the gross is now \$81,388,325 against \$70,750,997; and comparison of the net \$27,758,189 against \$18,990,347.

The relatively small augmentation in expenses in this three-year period affords striking testimony to what has been achieved in the way of operating economy; and this economy and efficiency furnishes the keynote to the success which has been established. Speaking with regard to the late year's operations, Mr. Harrison says that the study and practice of efficiency of operation were continued and are reflected in the fact that the average train load and the average car load were increased; that there was a substantial decrease in the charges for loss and damage of freight; that the balance of hire of equipment was for the first time in four years on the right side of the account and, most of all, that more than 17,000,000 passengers were carried without loss of a passenger's life in a train accident.

It is interesting to observe from the foregoing the various ways in which operating efficiency was achieved, as this is evidence that no single cause serves to account for the good return made. Mr. Harrison is obliged to note, however, that operating unit costs were, nevertheless, distorted as compared

with the preceding year by the large increases in wages which took effect during the twelve months, and by unprecedented increase in the cost of fuel. In another part of the report the statement is made that the so-called Eight-Hour Law effective Jan. 1 1917, and the advanced cost of coal during the latter part of the fiscal year, increased transportation costs during the last six months approximately \$1,393,777.

As showing what an important part better lading of cars and of trains has played in operating attainments we may note that while the number of tons of freight carried one mile increased 12.73% over the preceding year, the freight train mileage increased only 11.93%, and the freight car mileage no more than 6.32%. This is the record for a single year only. In the years immediately preceding the progress was no less noteworthy and thus there has been a cumulative record of achievement. In the year under review the average train load, including company freight, was 454 tons. In the year preceding it was 441 tons. As recently as 1908 it was no more than 228 tons. This means that in nine years the train load has been just about doubled, with the result that notwithstanding a decline in the average rate realized per ton per mile the trains in the latest year earned \$3.405 per mile run, as against only \$1.883 in 1908. The system moved 7,326,107,685 tons of freight one mile in 1917 with a freight train mileage of only 16,112,534 miles, whereas in 1908 it took 18,151,530 freight train miles to move only 4,142,913,656 ton miles.

We may repeat what we said in our review of the previous year, that the company's revenue trainload which, for the fiscal year 1916-17 averaged 454 tons, as noted above, must be considered exceedingly good for a system spread out over such a large area as is the Southern Railway, with much scattered mileage and large pieces of road having only a very light traffic. As Mr. Harrison well said in last year's report, in considering the achievement the map of the Southern Railway and the characteristics of its traffic should not be forgotten. The relatively large proportion of branch-line mileage embraced in the system and on which an arbitrary service must be maintained, together with the amount of high class merchandise and perishable freight carried, are constant limitations on average tonnage.

As a result of the great improvement in net earnings there was a balance of income over charges for the late fiscal year of no less than \$12,360,161, as against \$9,333,899 in the fiscal year 1916 and only \$1,600,557 in 1915. In other words, the surplus for 1917 was nearly eight times what it was only two years ago. This surplus of \$12,360,161 would pay 5% on the \$60,000,000 of preferred stock and the same rate on the \$120,000,000 common stock and yet leave an undistributed balance of over \$3,000,000. As it was, the company begins in a moderate and modest way by resuming dividends on the preferred shares, having declared 2½%, payable November 20 to stockholders of record at the close of business October 31. Mr. Harrison says the board of directors concluded that in view of the income account this dividend might conservatively be paid, notwithstanding the fact that there still remains unsolved the problem of permanent financing of existing and future capital requirements. A comprehensive plan to this end was authorized by the stockholders last January, but could not be

consummated because conditions existing in the investment market prevented the sale of long term bonds on terms sufficiently advantageous to justify selling them.

Accordingly, it was necessary again to resort to short term notes and \$25,000,000 two-year 5% obligations of this kind dated Mar. 2 1917, and payable Mar. 2 1919, were sold to provide for maturing notes and to discharge the obligation incurred in acquiring the stock of the New Orleans & Northeastern RR. and to furnish a small amount of additional capital for improvements. Out of the year's surplus income the company spent no less than \$10,418,688 for additions and betterments to and upon the property. This was apart from the proceeds of the sale of \$4,000,000 30-year 5% bonds of the Atlanta & Charlotte Air Line Railway Co., which were applied towards meeting the expense of the work of double tracking that line. The year's expenditures, however, on this double track work appear to have aggregated \$8,410,921.

THE ATCHISON TOPEKA & SANTA FE REPORT.

The Atchison Topeka & Santa Fe Ry. Co. has long held a unique record for prosperous results, and under the stimulating conditions produced by the war in Europe, and the entrance of this country into the conflict, the company's distinctiveness in that respect has been further emphasized. Its income showing for the period covered by the present annual report, namely the twelve months ending June 30 1917, is probably not surpassed by any other railroad in the country, though it will not be possible to verify this statement, since nearly all the larger railroad companies have, during 1917, changed their fiscal year to correspond with the calendar year, and the Atchison itself contemplates making the same change.

The feature of the Atchison's results for the fiscal year under review which stands out with especial prominence, is that after providing for fixed charges and the year's dividends on both classes of stock, a surplus remains on the operations of the twelve months in the large sum of \$19,875,211, and the whole of this has been appropriated for investment in new physical property—\$11,000,000 for equipment and \$8,875,211 for other additions and betterments. It has long been the policy of the management to set aside considerable sums out of earnings for additions and betterments, and, indeed, its position of exceptional strength may largely be ascribed to that circumstance; but, of course, it has never previously been possible to make a contribution for the purpose of such magnitude as that for the year under review. For the fiscal year 1916 the surplus above charges and dividends was \$13,819,090, of which \$7,000,000 was set aside in a lump sum for additions and betterments, and in the fiscal year 1915 the surplus was \$6,513,397, all of which was appropriated for additions and betterments. In 1914, which was a period of trade reaction, the surplus above the dividend requirements was only \$2,719,318, which, likewise, was set aside for additions and betterments.

These figures make it apparent that it is only during the last two years that the surplus has been of unusual size, and the explanation is found in the great growth of traffic and revenues occasioned by the present war. As indicating the extent of this growth we may note that during the last two years gross earnings have risen from \$117,665,587 to \$156,179,121,

and net earnings (before the deduction of taxes) from \$41,574,034 to \$59,845,552. The remarks in the report (which appear over the names of President Edward P. Ripley and Chairman Walker D. Hines) point out that, contrary to expectations, all of the abnormal reasons cited the previous year as accounting for the company's large revenues were accentuated during the year under review. Not only did the European war remain in active progress, but the United States is now participating in it and spending enormous sums for supplies and for transportation. The Pacific Coast is still without shipping via the Panama Canal. The metal market has been unprecedentedly active in all its branches, and this has largely increased the company's traffic, especially in copper, zinc and lead, and the raw materials entering into their production. The oil tonnage on the lines is still increasing. Even the passenger traffic, which it was believed had in the previous year reached its maximum with the two great expositions on the Pacific Coast, one at San Francisco and the other at San Diego, increased still further in 1916-17, and attained a new high record.

It is to be noted that the surplus of \$19,875,211 which remains from 1917 over charges and dividends, remains after moderate dividends, the preferred stock receiving only 5% and the common stock 6%. Thus whatever advantage has accrued redounds to the benefit of the communities served by the system, inasmuch as money paid for additions and betterments out of earnings does not impose any burden upon the property in the way of added interest or dividends which in the end the users of the road have to pay. It is owing to the fact that such considerable amounts of earnings have been put back into the property, avoiding additions to fixed charges, that the company is now enjoying such great prosperity. The report tells us that the development of the company's business and of its efficiency have been due principally to the very large expenditures (over \$331,000,000) which have been made in the extension and improvement of the property since Jan. 1 1896. In order to make such expenditures the company has raised since 1896 over \$225,000,000 of "new money" by the sale of capital stock and of bonds which are now outstanding or which (in the case of many of the convertible bonds sold) are represented by common stock now outstanding. The fact should not be overlooked that even after the great expansion in revenues the return on the capital investment is only moderate. A table in the report shows that for the late year the net income (before the deduction of interest charges) on the property investment was only 6.93%, though this was a great improvement over the return in other years, the annual average for the last twenty years having been only 4.95%.

The aggregate of the funded debt was again decreased, the amount of the reduction having been \$12,743,454. The principal items in the reduction were the payment of \$7,449,000 of convertible 5% bonds, which matured June 1 1917, and the exchange (by the exercise of the privilege of conversion) of \$5,336,000 of convertible 4% bonds into stock. The total expenditures during the year for extensions and additions and for other capital outlays aggregated \$12,931,479, and surplus earnings were able to take care of the whole of this, so that the current cash assets on June 30 1917 remained practically the same as on June 30 1916, the comparison being

between \$68,544,367 and \$68,392,720. Of this, \$39,047,787 June 30 1917 consisted of actual cash and time deposits, against \$44,364,922 at the end of the previous year.

It may seem strange, in view of this splendid showing made by the report in all respects, that Atchison stock should have declined in recent weeks on the Stock Exchange along with all other shares, but there are unfavorable factors in the situation which affect this property, like that of other railroad systems. Thus the report tells us that on all sides the company has been confronted with the necessity of increasing wages and salaries, and that the payroll for the last six months of the year was nearly 33% in excess of the pay-roll for the corresponding period two years before. It is explained that this was partly due to the employment of increased forces. Nevertheless, after making allowance for the larger number of employees, current wages and salaries are found to be on an average about 20% over the wages and salaries in effect two years ago. It is also pointed out that, owing to high prices and lack of labor, it has not been possible to add materially to equipment, and the result has been that in the effort to handle the enormous business which crowded in upon the company every nerve had to be strained to the utmost, and, even with all that could be done, results were not always what the patrons had been taught to expect and the management wanted to give. Very much against the will of the officers and directors, large orders had to be given for new equipment and the prices the company has contracted to pay for this equipment when received are almost double those of two years ago.

Another grave and steadily increasing burden is the item of taxes. For the fiscal year 1917 Federal, State and local tax accruals aggregated no less than \$9,870,634, the increase for the twelve months being \$3,660,268, or over 50%. For the first time Federal taxes, it is stated, have become a matter of serious concern. Indeed, the company's tax situation, it is declared, is revolutionized by the new system of Federal taxation just adopted, and which applies for all of the calendar year 1917. The change wrought, we are told, is not adequately indicated by the increase in taxes for the fiscal year ending June 30 1917, because that year contains only six months of the calendar year 1917, to which the new Federal taxes apply. While it is impossible to forecast with accuracy the taxes for the full calendar year 1917, it is thought by no means improbable that they will be \$12,000,000, or about twice the annual average of taxes for recent years, and possibly more. The report explains the failure of the Interstate Commerce Commission to give permission to advance freight rates and the likelihood of a new application being made as follows:

"In common with all other carriers in the country, your company sought for relief in increasing its rates, but was denied, the denial being based on our large earnings. It was unfortunate that when the case was decided the large earnings were plainly visible, while the greatly enhanced expense had not yet come clearly into view; and this same condition prevailed up to the end of the fiscal year for which the report is made. But the expenses are now beginning to tell on all the carriers, and, somewhat later, conditions may call for the renewal of our application."

Notwithstanding all drawbacks and hindrances, the property is being operated with increasing effi-

ciency. One evidence of this is found in the steady development of the train-loads. For the late year the average lading of the trains, including company freight, was 497 tons, against 468 tons the previous year, 442 tons in 1915 and 420 tons in 1914.

RAILROAD GROSS AND NET EARNINGS FOR AUGUST.

There is no change in the character of current exhibit of railroad earnings. Gross earnings continue to expand in a striking and noteworthy manner, but such is the rise in operating costs that expenses are increasing in still larger amounts, leaving the net earnings actually smaller than at this time last year, notwithstanding the great expansion in traffic. In these circumstances a renewed appeal to the Inter-State Commerce Commission for permission to advance freight rates follows as a matter of course.

Our compilation covers the month of August, and the comparison with last year shows an increase in the gross of no less than \$39,771,575, or 11.92%. This, however, was attended by an augmentation in expenses in the prodigious sum of \$44,440,403, or 21.35%. Consequently, net earnings were diminished in amount of \$4,668,828, or 3.71%, as will be seen by the following:

August (460 roads)—	1917.	1916.	Inc. (+) or Dec. (—).
Miles of road.....	247,099	246,190	+909 0.37
Gross earnings.....	\$373,326,711	\$333,555,136	+\$39,771,575 11.92
Operating expenses.....	252,095,975	207,655,572	+44,440,403 21.35
Net earnings.....	\$121,230,736	\$125,899,564	—\$4,668,828 3.71

Of course, comparison is with heavily enlarged net as well as gross in 1916. But these antecedent gains in no small measure reflected a recovery of previous losses, or the absence of previous growth. For August 1916 the improvement aggregated \$54,673,436 in gross and \$26,373,215 in net. This, moreover, followed \$5,272,843 increase in gross and \$10,039,578 increase in net in 1915. Prior to 1915, however, the returns were poor or indifferent for several years. Thus, in August 1914 there was a loss of \$11,326,412 in gross, though accompanied by a trifling gain in the net. In August 1913 our compilation registered a gain of \$4,342,006 in the gross, but attended by an increase of \$13,448,176 in expenses, thus producing a loss in net of \$9,106,170. In August 1912 the results were very satisfactory, there having then been \$25,860,384 gain in gross and \$11,425,466 gain in net. This, though, followed a falling off in both gross and net earnings in August 1911, but not a very large falling off in either case, the decrease then having been \$1,967,695 in gross and \$595,069 in net. In August 1910 there was also a decrease in net, due entirely to augmented expenses, the addition to the gross having been no less than \$18,279,972, but expenses having risen \$18,939,835, hence causing a loss in net of \$659,863. In August of the year before (1909) there was material improvement in both gross and net, but here again the improvement was related [to an unfavorable showing in the preceding year. In other words, the improvement followed from the circumstance that in 1908, succeeding the panic of 1907, there had been tremendous losses. According to the tabulations of the Inter-State Commerce Commission, the gain for August 1909 reached \$29,682,863 in gross and \$15,065,001 in net. In August 1908 the decrease in gross by the figures of the Inter-State Commerce Commission was \$34,366,578, and in net \$9,222,389. In the table we now present we furnish the August comparisons back to 1896. For 1910, 1909 and

1908 we use the Inter-State Commerce Commission's totals, but for the preceding years we give the results just as registered by our own tables each year—a portion of the railroad mileage of the country being always unrepresented in the totals, owing to the refusal of some of the roads in those days to furnish monthly figures for publication.

Year.	Gross Earnings.			Net Earnings.		
	Year Given.	Year Preceding.	Inc. (+) or Dec. (—).	Year Given.	Year Preceding.	Inc. (+) or Dec. (—).
August.	\$	\$	\$	\$	\$	\$
1896....	52,240,197	55,319,991	—3,079,794	17,418,959	19,023,398	—1,604,439
1897....	66,842,723	58,687,815	+8,154,908	24,228,620	19,592,169	+4,636,451
1898....	77,846,913	76,324,949	+1,521,964	27,942,601	28,189,822	—247,221
1899....	81,952,795	70,965,451	+10,987,344	29,730,968	25,200,009	+4,530,959
1900....	92,067,423	85,191,125	+6,876,298	33,216,118	31,032,360	+2,183,758
1901....	108,575,332	96,440,678	+12,134,654	40,548,771	34,210,061	+6,338,710
1902....	105,390,629	102,111,428	+3,279,201	35,928,409	37,776,146	—1,847,737
1903....	121,050,739	105,267,446	+15,783,293	41,282,319	35,747,474	+5,534,845
1904....	119,821,635	119,665,743	+155,892	43,168,250	40,913,469	+2,254,781
1905....	125,099,694	114,112,603	+10,987,091	43,201,744	40,480,712	+2,721,032
1906....	137,589,560	122,898,468	+14,691,092	48,074,911	42,719,768	+5,355,143
1907....	144,913,337	128,178,064	+16,735,273	45,629,104	44,849,985	+779,119
1908....	206,755,864	241,122,442	—34,366,578	75,028,707	84,251,096	—9,222,389
1909....	236,559,877	206,877,014	+29,682,863	90,384,539	75,319,538	+15,065,001
1910....	254,005,972	235,726,000	+18,279,972	89,517,074	90,176,937	—659,863
1911....	243,816,494	245,784,289	—1,967,695	86,224,971	86,820,040	—595,069
1912....	276,927,416	251,067,032	+25,860,384	99,143,971	87,718,505	+11,425,466
1913....	259,835,029	255,493,023	+4,342,006	83,143,024	92,249,194	—9,106,170
1914....	269,593,446	280,919,858	—11,326,412	87,772,384	87,300,840	+471,544
1915....	279,891,224	274,618,381	+5,272,843	99,713,187	89,673,609	+10,039,578
1916....	333,460,457	278,787,021	+54,673,436	125,837,849	99,464,634	+26,373,215
1917....	373,326,711	333,555,136	+39,771,575	121,230,736	125,899,564	—4,668,828

Note.—In 1896 the number of roads included for the month of August was 127; in 1897, 135; in 1898, 138; in 1899, 113; in 1900, 129; in 1901, 116; in 1902, 105; in 1903, 114; in 1904, 100; in 1905, 95; in 1906, 91; in 1907, 86; in 1908, the returns were based on 231,220 miles; in 1909 on 247,544 miles; in 1910 on 238,493 miles; in 1911 on 230,536 miles; in 1912 on 239,230 miles; in 1913 on 219,492 miles; in 1914 on 240,831 miles; in 1915 on 247,809 miles; in 1916 on 245,516 miles; in 1917 on 247,099 miles.

The returns of the separate roads partake of the character of the general results—that is, there are quite generally losses in net in face of considerable gains in gross. There are prominent exceptions to the rule in the case of some Western and Southern and Southwestern roads. As heretofore, the Eastern trunk lines have fared most badly in the matter of increased expenses. The New York Central with \$1,676,471 gain in gross falls behind \$1,352,971 in net. These figures relate to the operations of the New York Central itself. Including the various auxiliary and controlled roads, the whole going to form the New York Central System, the result is a gain of \$3,681,251 in gross but a loss of \$1,297,738 in net. In August last year the New York Central System registered \$6,336,338 improvement in gross and \$2,806,084 in net. The Pennsylvania Railroad the present year on the lines directly operated records a decrease of \$626,687 in net notwithstanding an increase of \$4,222,660 in gross. Including all lines owned and controlled which make monthly returns to the Inter-State Commerce Commission the result is a gain of \$6,113,856 in gross but only \$69,894 in net. The previous year the result for the Pennsylvania System was a gain of \$6,305,828 in gross and of \$1,923,931 in net. The Baltimore & Ohio for the present year shows \$2,319,477 gain in gross with \$201,276 loss in net; the Erie has \$496,299 gain in gross with \$810,562 loss in net; the New Haven \$451,138 gain in gross with \$322,951 loss in net, and the Boston & Maine \$429,546 addition to gross with \$254,969 decrease in net.

Among Western roads the Southern Pacific has added \$1,554,979 to gross and \$702,853 to net, but the Union Pacific reports \$389,042 increase in gross with \$540,629 decrease in net. The Northern Pacific has \$492,662 increase in gross with \$208,934 decrease in net; the Great Northern \$160,997 increase in gross with \$812,672 decrease in net. The Chicago & North West with an addition of \$1,145,051 to gross, falls \$311,554 behind in net; the Burlington & Quincy while having added \$740,237 to gross loses \$623,597 in net, and the Milwaukee & St. Paul with \$479,607 gain in gross suffers a decrease of no less than \$984,739 in net.

In the Southwest the Atchison while showing \$1,192,439 gain in gross reports a shrinkage of \$216,545 in net, and the Rock Island with \$258,073 gain in gross reports \$601,334 decrease in net; but the St. Louis-San Francisco shows \$585,835 improvement in gross and \$484,685 in net, and the Missouri Pacific \$570,138 in gross and \$424,651 in net. Southern roads nearly all have saved a portion of the gain in gross for the net. Thus the Louisville & Nashville has added \$1,121,440 to gross and \$114,275 to net; the Southern Railway \$1,356,918 to gross and \$251,132 to net; the Atlantic Coast Line \$749,751 to gross and \$147,904 to net; the Norfolk & Western \$678,959 to gross and \$25,262 to net. The Chesapeake & Ohio on the other hand with \$428,527 addition to gross loses \$102,215 in net. In the following we show all changes for the separate roads for amounts in excess of \$100,000, whether increases or decreases, and in both gross and net:

PRINCIPAL CHANGES IN GROSS EARNINGS IN AUGUST.

Increases.		Decreases.	
Pennsylvania	\$4,222,660	Virginian	\$242,612
Baltimore & Ohio	2,319,477	Buff Roch & Pittsburgh	237,367
New York Central	61,676,471	Colorado & Southern	236,143
Southern Pacific	1,554,979	Carolina Clinch & Ohio	235,551
Southern Railway	1,356,918	N Y Chicago & St Louis	229,959
Illinois Central	1,258,811	Toledo & Ohio Central	213,234
Atch Top & Santa Fe	1,192,439	Kansas City Southern	208,967
Chicago & North West	1,145,051	Central of Georgia	202,737
Philadelphia & Reading	1,022,529	Western Pacific	196,252
Louisville & Nashville	1,121,440	Cinc New Or & Tex Pac	187,797
Phila Balto & Wash	891,119	Mobile & Ohio	186,976
Clev Cinc Chic & St L	762,556	West Jersey & Seashore	183,990
Atlantic Coast Line	749,751	Internat & Great Nor	178,055
Delaware Lack & West	748,364	Wheeling & Lake Erie	167,839
Chicago Burl & Quincy	740,237	Texas & Pacific	167,801
Norfolk & Western	678,959	Great Northern	160,997
Delaware & Hudson	592,119	Chic St P Minn & Om	152,869
St Louis-San Francisco	585,835	Bessemer & Lake Erie	151,579
Central of New Jersey	577,551	Duluth & Iron Range	150,569
Michigan Central	570,479	Spokane Port & Seattle	147,543
Missouri Pacific	570,138	N Y Ont & Western	143,825
Missouri Kansas & Texas	564,516	Alabama Great Southern	137,147
Erie	496,299	Pere Marquette	135,404
Northern Pacific	492,662	Western Maryland	132,940
Chicago Milw & St Paul	479,607	Toledo, St. Louis & West'n	130,930
N Y N H & Hartford	451,138	Cumberland Valley	129,808
Duluth Missabe & Nor	434,753	Lehigh & New England	117,680
Lehigh Valley	431,211	Richmond Freds & Potom	113,859
Boston & Maine	429,546	Maine Central	107,285
Chesapeake & Ohio	428,527		
Union Pacific	389,042	Representing 71 roads	
Long Island	387,026	in our compilation	\$37,242,817
Chicago & Eastern Ill	368,389		
Elgin Joliet & Eastern	328,855	Decreases.	
Seaboard Air Line	324,749	El Paso & Southwestern	\$231,320
Chicago & Alton	281,751	New Or Tex & Mexico	150,921
St Louis Southwestern	280,627	Wabash-Pitts Terminal	129,238
Hocking Valley	277,841	Florida East Coast	111,778
Wabash	276,292	Pitts Shawmut & Nor	102,684
Yazoo & Miss Valley	269,263		
Pitts & Lake Erie	267,051	Representing 5 roads in	
Chic Rock Isl & Pac Lines	258,073	our compilation	\$725,941

a This is the result for the Pennsylvania RR., together with the Pennsylvania Company, and the Pittsburgh Cincinnati Chicago & St. Louis, the Pennsylvania RR. reporting \$2,961,173 increase, the Pennsylvania Company \$377,605 gain and the P. C. C. & St. L. \$883,882 gain. Including all lines owned and controlled which make monthly returns to the Inter-State Commerce Commission, the result is a gain of \$6,113,856.

b These figures cover merely the operations of the New York Central itself. Including the various auxiliary and controlled roads, like the Michigan Central, the "Big Four," &c., the whole going to form the New York Central System, the result is a gain of \$3,681,251.

Note.—All the figures in the above are on the basis of the returns filed with the Inter-State Commerce Commission. Where, however, these returns do not show the total for any system, we have combined the separate roads, so as to make the results conform as nearly as possible to those given in the statements furnished by the companies themselves.

PRINCIPAL CHANGES IN NET EARNINGS IN AUGUST.

Increases.		Decreases.	
Southern Pacific	\$702,853	New York Central	\$1,352,971
St Louis-San Francisco	484,685	Chic Milw & St Paul	984,739
Missouri Pacific	424,651	Great Northern	812,672
Missouri Kansas & Texas	391,726	Erie	810,562
Delaware Lack & West	361,953	Pennsylvania	626,687
Phila Balto & Wash	308,122	Chic Burl & Quincy	623,597
Delaware & Hudson	301,738	Chic Rock Isl & Pac Lines	601,334
Illinois Central	298,757	Union Pacific	540,629
Duluth Missabe & Nor	284,265	Minn St Paul & S S M	479,189
Southern Railway	251,132	N Y N H & Hartford	322,951
Clev Cinc Chic & St L	218,606	Chic & North Western	311,554
Central of New Jersey	210,091	El Paso & Southwestern	265,490
Long Island	200,454	Boston & Maine	254,969
Elgin Joliet & Eastern	168,952	Denver & Rio Grande	244,413
St Louis Southwestern	154,817	Philadelphia & Reading	223,494
Atlantic Coast Line	147,904	Atch Top & Santa Fe	216,545
Virginian	147,224	Northern Pacific	208,934
N Y Chicago & St Louis	142,007	Baltimore & Ohio	201,276
Carolina Clinch & Ohio	136,562	Pittsburgh & Lake Erie	165,115
Colorado & Southern	116,862	St. Jos. & Grand Island	131,639
Hocking Valley	116,070	Union (Pa)	138,909
Louisville & Nashville	114,275	Grand Trunk Western	132,522
Chicago & East Illinois	106,316	Bessemer & Lake Erie	123,653
		Atlantic & St Lawrence	119,965
		Florida East Coast	117,624
		New Or Tex & Mexico	112,759
		Chicago Great West	110,838
		Chesapeake & Ohio	102,215
Representing 23 roads		Representing 28 roads	
in our compilation	\$5,790,022	in our compilation	\$10,337,245

a This is the result for the Pennsylvania RR., together with the Pennsylvania Company, and the Pittsburgh Cincinnati Chicago & St. Louis, the Pennsylvania RR. reporting \$388,959 decrease, the Pennsylvania Company \$459,346 loss and the P. C. C. & St. L. \$221,618 gain. Including all lines owned and controlled which make monthly returns to the Inter-State Commerce Commission, the result is a gain of \$69,894.

b These figures merely cover the operations of the New York Central itself. Including the various auxiliary and controlled roads, like the Michigan Central, the "Big Four," &c., the whole going to form the New York Central System, the result is a loss of \$1,297,738.

When the roads are arranged in groups or geographical divisions according to their location every division records an increase in gross but all the groups with the exception of the Southern and Southwestern have losses in net. Our summary by groups is as follows:

SUMMARY BY GROUPS.

Section or Group.	Gross Earnings				
	1917.	1916.	Inc. (+) or Dec. (-)	\$	%
August					
Group 1 (18 roads), New England	16,106,419	15,059,388	+1,047,031	6.95	
Group 2 (74 roads), East & Middle	103,590,657	90,078,384	+13,422,273	14.90	
Group 3 (62 roads), Middle West	46,188,737	41,199,338	+4,989,399	12.11	
Groups 4 & 5 (32 roads), Southern	45,916,052	38,624,498	+7,291,554	18.88	
Groups 6 & 7 (71 roads), Northwest	82,285,573	75,625,907	+6,659,666	8.80	
Groups 8 & 9 (35 roads), Southwest	56,456,982	51,311,996	+5,144,986	10.03	
Group 10 (48 roads), Pacific Coast	22,872,291	21,655,625	+1,216,666	5.61	
Total (460 roads)	373,326,711	333,555,136	+39,771,575	11.92	
Mileage	Net Earnings				
	1917.	1916.	Inc. (+) or Dec. (-)	\$	%
Group No. 1	7,824	7,815	4,509,405	5,330,048	-820,643 15.40
Group No. 2	29,775	29,438	30,477,151	32,064,189	-1,587,038 4.95
Group No. 3	23,087	22,988	14,648,829	15,139,534	-490,705 3.24
Groups Nos. 4 & 5	41,717	41,537	14,460,450	13,644,327	+816,123 5.98
Groups Nos. 6 & 7	68,437	68,148	28,103,198	31,367,803	-3,264,605 10.41
Groups Nos. 8 & 9	57,323	57,555	19,471,356	18,590,590	+880,766 4.74
Group No. 10	18,936	18,709	9,560,347	9,763,073	-202,726 2.08
Total	247,099	246,190	121,230,736	125,899,564	-4,668,828 3.71

NOTE.—Group 1. Includes all of the New England States.

Group II. Includes all of New York and Pennsylvania except that portion west of Pittsburgh and Buffalo; also all of New Jersey, Delaware and Maryland, and the extreme northern portion of West Virginia.

Group III. Includes all of Ohio and Indiana; all of Michigan except the northern peninsula, and that portion of New York and Pennsylvania west of Buffalo and Pittsburgh.

Groups IV. and V. combined include the Southern States south of the Ohio and east of the Mississippi River.

Groups VI. and VII. combined include the northern peninsula of Michigan, all of Minnesota, Wisconsin, Iowa and Illinois; all of South Dakota and North Dakota and Missouri north of St. Louis and Kansas City; also all of Montana, Wyoming and Nebraska, together with Colorado north of a line parallel to the State line passing through Denver.

Groups VIII. and IX. combined include all of Kansas, Oklahoma, Arkansas and Indian Territory, Missouri south of St. Louis and Kansas City; Colorado south of Denver, the whole of Texas and the bulk of Louisiana; and that portion of New Mexico north of a line running from the northwest corner of the State through Santa Fe and east of a line running from Santa Fe to El Paso.

Group X. Includes all of Washington, Oregon, Idaho, California, Nevada, Utah and Arizona and the western part of New Mexico.

UNITED STATES MAKES FURTHER LOANS TO ALLIES.

The United States Government on Oct. 16 made additional loans of \$50,000,000 to Russia, \$25,000,000 to Great Britain, \$20,000,000 to France and \$3,000,000 to Belgium, and on Oct. 19 advanced an additional \$20,000,000 to France. The total of all loans made by the United States to the Allies now amounts to \$2,731,400,000. Of this sum Great Britain has received \$1,320,000,000; France, \$770,000,000; Russia, \$325,000,000; Italy, \$255,000,000; Belgium, \$58,400,000, and Serbia, \$3,000,000.

SALE OF BRITISH TREASURY BILLS BY J. P. MORGAN & CO. TEMPORARILY DISCONTINUED.

The weekly offering of 5½% ninety-day British Treasury Bills by J. P. Morgan & Co. was not placed upon the market during the past week. The discontinuance of the offerings is only temporary, and was due, it is said, to the desire of the bankers to do nothing that might interfere with the successful operation of the second Liberty Loan campaign. The first offering of the bills was made by J. P. Morgan & Co. on Aug. 22, and since that time nearly \$100,000,000 of the notes have been disposed of. Under the terms of the plan for placing the bills the total of notes outstanding must never exceed \$150,000,000, and no more than \$15,000,000 must be sold in any one week. The first lot of \$15,000,000 of the bills will mature on Nov. 21.

ITALIAN GOVERNMENT REDEEMS ONE-YEAR NOTES.

According to an announcement by Lee, Higginson & Co. of New York, the \$25,000,000 gold notes, issued by the Italian Government in October 1915 (a detailed description of which was published by us in an advertisement appearing in our issue of Oct. 30 1915) were redeemed on Monday of this week (Oct. 15). The loan was in the form of one-year 6% notes, due Oct. 15 1916, convertible at the option of the holder into a similar one-year note bearing the same rate. The entire issue was converted under this option. The notes were in denominations of \$100, \$500 and \$1,000 and were underwritten in this country in 1915 by a syndicate, headed by Lee, Higginson & Co. and the Guaranty Trust Co., which offered the loan to investors at 100 and interest.

The issue, it is said, was paid off from the proceeds of advances to the Italian Government by the United States Government.

CANADIAN GOVERNMENT TEMPORARY NOTES BEING EXCHANGED.

It is officially announced that the Dominion of Canada temporary 2-year 5% notes, representing the \$100,000,000 loan arranged for in July last by a syndicate headed by J. P. Morgan & Co., and later disposed of to investors at 98 and interest, yielding about 6.07%, are now being exchanged for definitive coupon notes at the agency of the Bank of Montreal in New York City. Further particulars of the loan will be found in our issue of July 28.

NOTICE AGAINST UNDERWRITING OF NEW ISSUES IN GREAT BRITAIN.

Attention to the fact that the underwriting and offer of participation in new security issues is forbidden by the British Treasury is called in the following notice, promulgated by Press Bureau on Sept. 6:

It has come to the knowledge of the Lords Commissioners of the Treasury that offers of underwriting and of participation in new issues have recently been made before the conditions of Regulation 4 (3) of the Temporary Regulations for the reopening of the Stock Exchange have been complied with.

Their Lordships desire to inform all persons and houses who transact business in stocks, shares, bonds or other securities and all corporations and companies who may wish to issue the same that provisions of this Regulation forbid underwriting and the offer of participation in new issues until permission for dealings has been duly given.

BRITISH TREASURY WARNS AGAINST DANGER OF BEARER SECURITIES IN TERRITORY OCCUPIED BY ENEMY.

The following notice, regarding bearer securities seized in enemy occupied territory, issued by the Press Bureau of the British Treasury, appeared in the "London Stock Exchange Weekly Official Intelligence" of Sept. 8:

In view of the danger that Bearer Securities left by allied subjects in territory temporarily occupied by the enemy may have come unlawfully into the possession of enemies who may attempt to cash the coupons or realize the securities, the Lords Commissioners of His Majesty's Treasury desire to draw the attention of all public companies in the United Kingdom who have issued Bearer Securities, to the necessity for taking the strictest precautions against any evasion of the existing regulations in regard to the cashing of coupons and to dealings in securities which have not been continuously in physical possession in the United Kingdom since Sept. 30 1914. While these regulations are in force and are strictly adhered to, the rightful owners of such securities will be safeguarded in this country against any action by the enemies into whose hands the securities have passed. His Majesty's Government are considering, in consultation with the Allied Governments, what steps should be taken to deal with the problem when the existing restrictions come to be removed.

NATIONAL BANKS NOT TO BE REQUIRED TO MARK DOWN INVESTMENTS TO ABNORMAL FIGURES.

In a statement issued under date of Oct. 13 dealing with the heavy shrinkage in the market value of securities generally since the beginning of the war between the United States and Germany, the Comptroller of the Currency announces that he has instructed National Bank Examiners that "they need not at this time require national banks holding high grade bonds of unquestioned intrinsic value and merit to charge such investments down to abnormal figures;" "an intelligent and conservative discretion," says the Comptroller, "will be exercised as to the prices at which national banks can safely and reasonably be permitted to carry such high class securities, and as to what proportion of the depreciation should be charged off in any six months' period." We quote the Comptroller's statement herewith:

Oct. 13 1917.

After the outbreak of the European war in 1914, the Comptroller of the Currency instructed National Bank Examiners that national banks need not be required to charge down the values of their high grade bonds to meet the abnormal and sacrifice quotations, which for awhile were being made on the outside markets (the stock exchanges being closed) on securities which at that time were being thrown overboard regardless of real worth.

This office also earnestly endeavored to prevent the sacrifice by national banks, while the exchanges were closed and there was no general market for securities of bonds and shares held as collateral for customers' loans.

The policy pursued proved fortunate at that time. After the first pressure was over and money conditions relaxed, the security market was re-established; the grave losses which were threatened by the temporary shrinkage in values were averted, and borrowers from banks were enabled to meet their obligations without the sacrifice of their collateral.

Since the commencement of war between this country and Germany, there has been a heavy depreciation in the quoted values of securities generally, including those of the very highest grade which have heretofore found a ready market in competition with Government issues; and in many cases prices have shrunk to figures which are manifestly far below the prices which would prevail under any normal conditions. This shrinkage or marking down of values is partly due to the efforts of investors to sell other high class securities for reinvestment in Government bonds.

In view of all conditions, the Comptroller of the Currency has instructed National Bank Examiners that they need not at this time require national banks holding high grade bonds of unquestioned intrinsic value and merit to charge such investments down to present abnormal figures; but an intelligent and conservative discretion will be exercised as to the prices at which national banks can safely and reasonably be permitted to carry such high class securities, and as to what proportion of the depreciation should be charged off in any six months' period.

PRESIDENT WILSON URGES STATE BANKING IN- STITUTIONS TO JOIN RESERVE SYSTEM.

Declaring that "it is manifestly imperative that there should be a complete mobilization of the banking reserves of the United States," President Wilson in a statement issued under date of Oct. 13 (made public on Oct. 16), urges the officers and directors of all non-member banks and trust companies which are eligible for membership, "to unite with the Federal Reserve system now and thereby contribute their share to the consolidated gold reserves of the country." The President states that "a vigorous prosecution and satisfactory termination of the war will depend in no small degree upon the ability of the Government not only to finance itself but also to aid the Governments associated with it in the war," and he furthermore asserts that "the extent to which our country can withstand the financial strains for which we must be prepared will depend very largely upon the strength and staying power of the Federal Reserve banks."

The following is the statement issued by President Wilson:

It is manifestly imperative that there should be a complete mobilization of the banking reserves of the United States. All who are familiar with financial operations must appreciate the importance of developing to the maximum our banking power and of providing financial machinery adequate for meeting the very great financial requirements imposed upon our country by reason of the war. A vigorous prosecution and satisfactory termination of the war will depend in no small degree upon the ability of the Government not only to finance itself but also to aid the Governments associated with it in the war, which must be kept supplied with munitions, fuel, food, and supplies of all kinds.

The banking problem involved is one which concerns all banks alike. Its solution does not depend upon the national banks alone, nor upon the State banks. The burden and the privilege must be shared by every banking institution in the country. The important functions of the Federal Reserve banks in the sale of the Government's securities, in receiving and transferring the billions of dollars involved, in supplying credit facilities, and in protecting the reserve of the country have become so familiar to all that I am sure it is unnecessary to dwell upon or expound them.

The extent to which our country can withstand the financial strains for which we must be prepared will depend very largely upon the strength and staying power of the Federal Reserve banks. The Federal Reserve Act is the only constructive financial legislation which we have ever had which was broad enough to accommodate at the same time banks operating under powers granted by the General Government and banks whose charters are granted by the respective States. The unification of our banking system and the complete mobilization of reserves are among the fundamental principles of the Act.

The State banking institutions for some reason have until recently seemed inclined to hold aloof. Congress a few months ago prescribed very generous terms for the admission of the State banks into the Federal Reserve system which have removed the objections heretofore raised by State banks when considering membership. As the law now stands it leaves member State banks and trust companies practically undisturbed in the exercise of all the banking powers conferred upon them by the States. The law provides also in definite terms the conditions upon which any State bank or trust company may withdraw from the system. Many of the largest State banks and trust companies are now becoming members, realizing that to win the war we must conserve all of the physical, financial, and moral resources of our country, that our finances must rest on the firmest possible foundation; and that they must be adequately and completely conserved so as to respond instantly to every legitimate demand. How can this necessary condition be brought about and be made permanently effective better than by the concentration of the banking strength of our country in the Federal Reserve system?

May I not, therefore, urge upon the officers and directors of all non-member State banks and trust companies which have the required amount of capital and surplus to make them eligible for membership, to unite with the Federal Reserve system now and thereby contribute their share to the consolidated gold reserves of the country? I feel sure that as member banks they will aid to a greater degree than is possible otherwise in promoting the national welfare, and that at the same time, by securing for themselves the advantages offered by the Federal Reserve system they will best serve their own interest and the interest of their customers. I believe that co-operation on the part of the banks is patriotic duty at this time, and that membership in the Federal Reserve system is a distinct and significant evidence of patriotism.

There are probably eight or nine thousand State banks and trust companies eligible for membership which have not yet united with the system. These institutions have it in their power to add enormously to the resources of the Federal Reserve banks, thereby broadening and strengthening the foundation upon which our whole financial structure must rest. Permit me to urge that every bank officer and bank director owes a solemn obligation to the country which I am sure they wish to discharge. I, therefore, wish again to impress upon them my solemn conviction that they can best measure up to their duties and responsibilities through membership in the Federal Reserve system.

WOODROW WILSON.

The White House, Oct. 13 1917.

E. C. McDOUGAL URGES NEW YORK STATE BANKS TO TRANSFER GOLD TO FEDERAL RESERVE BANKS

The following letter urging the members of the Association of the State banks of the State of New York to assist in the strengthening of the gold reserves of the Federal Reserves by sorting out their legal tender notes and shipping them, and all their gold to the Reserve Bank, accepting in exchange Federal Reserve notes, has been sent out by the President of the Association, E. C. McDougal, President of the Bank of Buffalo:

Buffalo, N. Y., October 17 1917.

To Each Member of the Association of State Banks of the State of New York:
Referring to the message of the President of the United States calling for the strengthening of the gold reserves of the Federal Reserve banks; in the

present crisis, it is necessary, for the good of our country, that practically every dollar of gold in this country be in the vaults of the Federal Reserve banks. It is the patriotic duty of each bank to refuse to pay out gold over the counter for pay-rolls, or for any other purpose not absolutely necessary, and to ship it to the Federal Reserve bank in its district. With the exception of its use as reserves in vault, the purposes for which such gold is absolutely necessary to banks are so few that there is no good reason why each bank should not ship to the Federal Reserve bank practically every dollar of gold in its vaults. To do this it is not at all necessary that State banks wait until they become members of the Federal Reserve System. A non-member bank can help as quickly and as effectively as a member bank. All that is necessary is for each bank to sort out its legal-tender notes and to ship them and all of its gold to the Federal Reserve bank in its district and to take Federal Reserve notes in exchange. With a little extra work, any bank can do this in two or three days. In that short time, if each bank does its duty, all the gold in bank vaults in this country can be mobilized in the vaults of the Federal Reserve banks. Our State banking law permits this. Won't you do it at once?

Yours very truly,

E. C. McDUGAL, President.

INCREASED LENDING CAPACITY OF N. Y. RESERVE BANK WITH ADMISSION OF TRUST COMPANIES.

The bearing on the success of the second Liberty Loan which the entrance of the New York trust companies into the Federal Reserve system will have was referred to by Benjamin Strong, Governor of the New York Federal Reserve Bank, in a statement made public on the 15th inst. Mr. Strong contends that as a result of the admission of the six trust companies which filed applications for membership in the Federal system the cash reserve of the Federal Reserve Bank will be increased from about \$630,000,000 as of Oct. 10 to about \$720,000,000. "Upon this reserve base," he said, "and without impairing the minimum required by law to be held against note and deposit liabilities, the Federal Reserve Bank of New York could increase its loan and deposit accounts by no less than \$1,100,000,000, which amount could be correspondingly increased as other State institutions join the system." Mr. Strong further stated that should the Federal Reserve Bank of New York increase its loans by the sum indicated, the lending capacity of the banks of the New York District would thereby be expanded by no less a sum than about \$8,000,000,000. "While expansion of such volume is neither necessary nor desirable," says Mr. Strong, "still to the extent that expansion does take place, the provisions of the Federal Reserve Act are such as to thoroughly safeguard the country's financial system." Mr. Strong's statement in full follows:

One of the most important developments in the entire history of the Federal Reserve system and one of the most vital in its immediate bearing on the flotation of the second Liberty Loan, is the decision of a number of the larger New York trust companies to become members of the system.

The bearing which this has upon the success of the second Liberty Loan and, in fact, upon the Government's entire financial program, is not fully understood by the public as yet.

Applications for membership now include six companies with total resources of \$1,536,000,000. As a result of their admission the cash reserve of the Federal Reserve Bank will be increased from about \$630,000,000 as of Oct. 10, to about \$720,000,000.

Upon this reserve base, and without impairing the minimum required by law to be held against note and deposit liabilities, the Federal Reserve Bank of New York could increase its loan and deposit accounts by no less than \$1,100,000,000, which amount could be correspondingly increased as other State institutions join the system.

But that is far from expressing the full strength of the banking situation. Every loan made by the Federal Reserve Bank of New York to its members is, in fact, creating new reserve money for the member banks and in turn increases the lending power of the banks as a whole in the ratio of about 100 to 13.

Of course, no such huge demands will be made upon the reserve and member banks. But should the Federal Reserve Bank of New York in fact increase its loans by the sum of \$1,100,000,000, the lending capacity of the banks of the Second District would thereby be expanded by no less a sum than about \$8,000,000,000. The increase in their reserves through borrowings from the Reserve Bank would inevitably give them this added lending power if they cared to exercise it.

While expansion of such volume is neither necessary nor desirable, still to the extent that expansion does take place, the provisions of the Federal Reserve Act are such as to thoroughly safeguard the country's financial system.

The New York Clearing House Association has recommended that its members make advances to subscribers for Liberty Bonds, at 4% interest and the Liberty Loan Committee of this district has made a similar recommendation. The directors of the Federal Reserve Bank of New York have stated that they see nothing in the present situation or outlook which would require increasing the present rate of 3½% at which such loans may be rediscounted at the Federal Reserve Bank of New York. There should, therefore, be no hesitation on the part of any subscriber to borrow from his bank at these reasonable rates, in order to subscribe for bonds which his expected savings will enable him to pay for; nor need there be any hesitation on the part of banks to make these loans when they can, directly or indirectly, resort to the Federal Reserve Bank to rediscount them, in case their reserves become impaired.

If a subscriber to Liberty Bonds sells property and securities for the purpose, he performs a patriotic service, but, of course, the purchaser of the property or securities will himself thereby invest cash which otherwise he might invest in Liberty Bonds. This is simply a shifting of credit, and while it probably results in an increase of subscriptions, it does not necessarily do so.

On the other hand, a subscriber who is willing to commit himself to future economies by buying bonds for which he must borrow a portion of the purchase price is directly contributing to increasing the fund available for the purchase of bonds as well as contributing to national economy.

This statement applies to individuals and institutions of large income with just as much force as it does to wage earners who are urged to buy \$50 bonds by paying \$1 a week. And the men and women of means should also not hesitate to pledge a part of their incomes for fifty weeks as the wage earners are doing. The banking power of the country is entirely adequate to take care of all such loans, no matter what they may aggregate, and it is being rapidly increased by the admission of these new institutions to the Federal Reserve system.

Consequently, the patriotic action of the trust companies in joining the system lends a new point to the slogan which should be adopted by all subscribers to the Liberty Loan Bonds: "Borrow and buy; save and pay."

RECENT APPOINTMENTS IN N. Y. FEDERAL RESERVE BANK.

In announcing the election of J. Herbert Case as Deputy Governor and Fred I. Kent as an Acting Deputy Governor, of the New York Federal Reserve Bank under date of Oct. 11 makes known several other changes in its staff. The election of Mr. Case was referred to in these columns Oct. 6, and that of Mr. Kent in our issue of Sept. 29. The following is the Reserve Bank's announcement:

New York, October 11 1917.

To the Cashier:

Sir—I take pleasure in advising you that Mr. J. Herbert Case has been elected Deputy Governor of the bank and undertook his duties on Oct. 8 1917. Mr. R. H. Treman, who has been acting temporarily as Deputy Governor, will continue in that capacity at the request of the directors until probably the close of the year.

Mr. Fred I. Kent has been elected an Acting Deputy Governor of the bank to take charge of matters pertaining to the licensing of exports of coin, bullion and currency under the President's proclamation of Sept. 7 1917, and other matters pertaining to foreign exchange.

Mr. Adolph J. Lins has been elected an Assistant Cashier of the bank. Mr. R. M. Gidney has been appointed Assistant Federal Reserve Agent. Messrs. W. M. St. John and J. W. Jones have been elected Acting Assistant Cashiers of the bank to take charge of certain divisions of the work connected with the Liberty Loan bond issues.

Facsimiles of the signatures of all the officers of the bank are enclosed herewith.

The Bond Issue Division, mentioned in our circular No. 71, dated June 11 1917, is now under the direct supervision of the officers of the bank, instead of being managed by a committee as in the first Liberty Loan campaign. All letters and inquiries with respect to matters handled by this division should be addressed to the

Federal Reserve Bank of New York,
Bond Issue Division,
Room 517, 120 Broadway,
New York, N. Y.

For the purpose of exchanging full-paid interim certificates of the first Liberty Loan bond issue into the permanent 3½% 15-30-year gold bonds, the Bond Exchange Division has been organized under the management of Mr. C. H. Platner, and is located at 50 Wall Street, New York. All letters and inquiries with respect to exchanging interim certificates into either the 3½% 15-30-year gold bonds or exchanging interim certificates or definitive 3½% 15-30-year gold bonds into the new issue of 4% bonds, should be addressed to

Federal Reserve Bank of New York,
Bond Exchange Division,
50 Wall Street,
New York, N. Y.

The Government Deposit Department is now located at 50 Wall Street, New York, under the supervision of the officers of the bank. All matters pertaining to this department should be addressed to the

Federal Reserve Bank of New York,
Government Deposit Department
50 Wall Street,
New York, N. Y.

Messrs. G. W. Davison, Edward A. Seasongood and Harry E. Ward have been requested to act as an advisory committee with respect to matters pertaining to this department.

Respectfully,

BENJ. STRONG, Governor.

W. R. GRACE & CO.'S BANK TO JOIN FEDERAL SYSTEM.

Along with a number of other institutions, which we refer to in another item, W. R. Grace & Co.'s Bank of this city has made application for admission to the Federal Reserve system, its directors having voted to take this course. It is announced that in bringing their resources into the Federal Reserve system, the directors felt the affiliation would be a source of greater prestige to wider foreign banking operations soon to be undertaken, the variety of which will be much greater than would have been possible before the war, because of the greater diversification of American import and export trade. J. Louis Schaefer, President of the bank, says:

Aside from patriotic reasons, there are distinct financial advantages to be derived from joining the system. The paper of the bank will be placed in a better position and immediately strengthened in South America.

The institution is a New York State bank, established in June 1915 with a capital of \$100,000 and a surplus of \$25,000, to accommodate part of the banking business of the export, import and shipping business of the firm. It now has a capital and surplus of more than \$1,000,000 and correspondents in all Central and South American countries.

NEW MEMBERS OF FEDERAL RESERVE SYSTEM.

In response to the suggestion of President Wilson that all State banks and trust companies contribute their share to the consolidated gold reserves of the country by joining the Federal Reserve system and as a result of the special efforts

made by the Federal Reserve officials, several large and important banks and trust companies in this city and in other sections of the country have this week announced their intention of joining the Federal Reserve system. On Oct. 16 the Bank of America, W. R. Grace & Co.'s Bank and the Mercantile Trust & Deposit Co. of this city decided to join the system and on Oct. 17 the Metropolitan Bank, the Pacific Bank and the Fidelity Trust Co. decided to apply for admission. Similar action was taken on the 17th by the People's Trust Co. of Brooklyn. On Oct. 18 directors of both the Brooklyn Trust and Franklin Trust companies of Brooklyn voted to make application for entrance into the system. The Manufacturers' Trust Co. of Brooklyn has also applied for membership.

On Friday, Oct. 12, the Dime Savings Bank of Detroit and the Highland Park State Bank of Highland Park, Mich., decided to apply for membership in the system, and on Oct. 15 the board of directors of the Industrial Trust Co. of Providence, R. I., voted to enter, as did the Utica Trust & Deposit Co. of Utica, N. Y. The Central Savings Bank of Detroit on Oct. 17 also decided to make application for membership, and the next day, Oct. 18, two of the oldest banks operating in Detroit under a State charter, the Detroit Savings Bank and the First State Bank of Detroit, reached a similar decision. The executive committee of the Baltimore (Md.) Trust Co. on Oct. 18 decided to recommend to the directors of the institution that application be made for admission to the Reserve system and the Commercial Trust Co. of Philadelphia on Oct. 19 applied for admission. It is said that within the next week the question of admittance to the system will be passed upon by at least three other large trust companies of the Quaker City.

The application of the Central and Bankers trust companies of this city, and the Chicago Savings & Trust Co. of Chicago, Ill., for admittance to the Reserve system have been approved by the Federal Reserve Board. The Chicago Savings & Trust Co. has a capital of \$1,000,000. Lucius Teter is President.

SECURITIES ACCEPTABLE FOR GOVERNMENT DEPOSITS GROWING OUT OF SECOND LIBERTY LOAN PAYMENTS.

The list of securities acceptable by the Treasury Department as collateral for Government deposits growing out of purchases of the Second Liberty Loan bonds and certificates of indebtedness, was made public by Secretary McAdoo on October 6. The list differs somewhat from that applying in the case of the First Liberty Loan issue, which was given in these columns June 2. The present list is broadened to include approved notes, certificates of indebtedness and warrants, issued by any State at 90% of market value. The new regulations governing the commercial paper permit its acceptance at 90% of its face value. The following is the latest circular issued by the Treasury Department in the matter:

Special deposits of Government funds in connection with subscriptions for bonds and certificates of the United States issued under the Act of Congress approved September 24 1917.

TREASURY DEPARTMENT.

Office of the Secretary, Washington, October 6 1917.

To Federal Reserve banks and other banks and trust companies incorporated under the laws of the United States or of any State.

Any incorporated bank or trust company in the United States desiring to participate in deposits of the proceeds of bonds of the Second Liberty Loan and of certificates of indebtedness of the United States issued under the Act of Congress approved Sept. 24 1917, should make application to the Federal Reserve bank of its district, on Form H hereto attached, and accompany such applications by a certified copy of resolutions duly adopted by its board of directors, in Form J hereto attached. In fixing the maximum amount of deposits for which it will apply, the applicant bank or trust company should be guided by the amount of the payments which it expects to have to make, for itself and its customers, on account of allotments of such bonds and certificates, and, as well, by any statutory limitations upon the amount of deposits which the applicant bank or trust company may receive from any one depositor. Any application may be rejected or the applicant may be designated for a smaller maximum amount than that applied for. After receiving the recommendation of the Federal Reserve bank, the Secretary of the Treasury will designate approved depositaries.

Collateral Security.

Designated depositaries will be required, before receiving deposits, to qualify by pledging, as collateral security for such deposits, securities of the following classes, to an amount, taken at the rates below provided, at least equal to such deposits:

- Bonds and certificates of indebtedness of the United States Government, of any issue, including bonds of the Liberty Loans and interim certificates or receipts for payments therefor; all at par.
- Bonds issued under the United States Farm Loan Act and bonds of the Philippine Islands, Porto Rico and the District of Columbia; all at par.
- The 3½% bonds of the Territory of Hawaii at 90% of market value; and other bonds of said Territory at market value.

(d) Bonds of any State of the United States, at market value; and approved notes, certificates of indebtedness and warrants issued by any State of the United States, at 90% of market value.

(e) Approved bonds of any county, city or political subdivision in the United States; and approved notes, certificates of indebtedness and warrants issued by any country or city in the United States which are direct obligations of the country or city as a whole; all at 90% of market value; but not including any such bonds which, at the date of this circular, are at a market price to yield more than 5½% per annum, nor any such other obligations which at the date of this circular are at a market price to yield more than 6% per annum, if held to maturity, according to standard tables of bond values.

(f) Approved dollar bonds and obligations of foreign Governments (and of the dependencies thereof) engaged in war against Germany, issued since July 30 1914 at 90% of the market value thereof in the United States, and approved dollar bonds and obligations of any province or city within the territory of any such foreign Government or dependency, issued since July 30 1914, at 75% of the market value thereof in the United States.

(g) Approved bonds, listed on some recognized stock exchange and notes, of domestic railroad companies within the United States; approved equipment trust obligations of such domestic railroad companies; and approved bonds and notes of domestic electric railway and traction companies, telephone and telegraph companies, electric light, power, and gas companies, and industrial companies, secured (directly or by the pledge of mortgage bonds) by mortgage upon physical properties in the United States and listed on some recognized stock exchange; all at 75% of market value; but not including any such bonds or obligations which, at the date of this circular, are at a market price to yield more than 6½% per annum, nor any such notes which at the date of this circular are at a market price to yield more than 7½% per annum, if held to maturity, according to standard tables of bond values.

(h) Commercial paper and bankers' acceptances, having maturity at the time of pledge of not to exceed six months, exclusive of days of grace, and which are otherwise eligible for rediscount or purchase by Federal Reserve banks; and which have been approved by the Federal Reserve bank of the district in which the depository is located; at 90% of face value. All such commercial paper and acceptances must bear the indorsement of the depository bank or trust company.

No security shall be valued at more than par. No State or municipal bond, obligation, or evidence of indebtedness shall be accepted if the State or municipality has made default in payment of principal or interest during the past 10 years.

The right is reserved to call for additional collateral security at any time.

The approval and valuation of securities is committed to the several Federal Reserve banks, acting under the direction of the Secretary of the Treasury. The withdrawal of securities, the pledge of additional securities, and the substitution of securities shall be made from time to time as required or permitted by the Federal Reserve banks acting under like direction.

Securities Committees.

Each Federal Reserve bank is authorized to designate a committee, or committees, to be composed of experienced bankers, in such city or cities in its district as may be deemed necessary, to be known as the securities committee. Each securities committee shall consist of not more than three nor less than two members, who shall serve without compensation. It shall be the duty of such securities committee to examine the lists of securities tendered as collateral security for deposits and to transmit them promptly to the Federal Reserve bank of the district with the committee's recommendation.

Custody of Securities.

All securities accepted as collateral security for deposits hereunder must be deposited with the Federal Reserve bank of the district in which the depository is located or, by the direction and subject to the order of such Federal Reserve bank, with a custodian or custodians designated by it, and under rules and regulations prescribed by it.

How Deposits are to be Made.

Each qualified depository will be required to open and maintain for the account of the Federal Reserve bank of its district, as fiscal agent of the United States, a separate account for deposits to be made hereunder, to be known as the "War Loan Deposit Account."

Qualified depositaries will be permitted to make payment by credit when due of amounts payable on subscriptions made by or through them for Treasury certificates of indebtedness and for Liberty bonds. In order to make payment by credit the depository must notify the Federal Reserve bank of the district by letter or telegram to reach it on or before the date when such payment is due, and must on said date issue a certificate of advice to such Federal Reserve bank stating, that a sum specified (in addition to all other amounts standing to the credit of said fiscal agent with such depository) has been deposited with such depository for the account of such Federal Reserve bank, as fiscal agent of the United States, in the War Loan Deposit Account.

The unexpended cash proceeds, if any, of the sale of any issue of certificates or bonds will be deposited among the qualified depositaries as nearly as may be in proportion to the subscriptions made by and through them for such issue.

All deposits and withdrawals will be made by the Federal Reserve banks by direction of the Secretary of the Treasury.

The amount deposited with any depository shall not in the aggregate exceed at any one time (a) the maximum amount for which it shall have been designated as a depository, nor (b) the aggregate amount of the collateral security pledged by it taken at the rates hereinbefore provided.

Withdrawal of Deposits.

All deposits will be payable on demand without previous notice.

Interest on Deposits.

Each depository will be required to pay interest at the rate of 2% per annum on the average daily balance maintained during the period of the deposit. Interest payments must be made when deposits are finally withdrawn, but not less frequently than quarterly.

W. G. McADOO,

Secretary of the Treasury.

Forms H and J referred to above, are annexed:

Form H—Liberty Loan.

APPLICATION FOR DEPOSITS.

Act of September 24 1917.

To the Federal Reserve Bank of _____ fiscal agent of the United States:

The undersigned bank or trust company, in accordance with the provisions of Treasury Department Circular No. 92, dated Oct. 6 1917, and pursuant to due action of its board of directors, hereby makes application for the deposit with it of proceeds of the bonds and certificates of indebtedness issued and to be issued from time to time under the Act of Congress

approved Sept. 24 1917, the aggregate amount of such deposits not to exceed at any one time \$.....; and assigns and agrees to pledge, from time to time, to and with the Federal Reserve Bank of....., as fiscal agent of the United States, as collateral security for such deposits as may be made from time to time pursuant to this application, securities of the character and amount required by said circular.

By.....
President (Vice-President.)

Form J—Liberty Loan.

RESOLUTIONS AUTHORIZING APPLICATION FOR DEPOSITS.

Act of September 24 1917.

I hereby certify that the following resolutions were duly adopted at a meeting of the board of directors of the below-named bank (or trust company), which meeting was duly called, and duly held on the..... day of....., a quorum being present, and that the said resolutions were spread upon the minutes of said meeting:

Resolved, That in accordance with the provisions of Treasury Department Circular No. 92, dated Oct. 6 1917 this bank (trust company) make application for the deposit with it of proceeds of the bonds and certificates of indebtedness issued and to be issued from time to time under the Act of Congress approved Sept. 24 1917, the aggregate amount of such deposits not to exceed at any one time \$.....; and assign and agree to pledge from time to time to and with the Federal Reserve Bank of..... as fiscal agent of the United States, as collateral security for such deposits as may be made from time to time pursuant to this application, securities of the character and amount required by said circular; and

Resolved, That the president, or any vice-president, or cashier, or secretary, of the undersigned bank (or trust company) is hereby authorized to make application, assignment, and agreement as aforesaid and from time to time to deliver to and pledge with said Federal Reserve Bank, or any custodian or custodians appointed by it, securities of the undersigned bank (or trust company) of a character and amount at least sufficient to secure such deposits according to the terms of said Treasury Department circular, and from time to time to withdraw securities and to substitute other securities and to pledge and deposit additional securities.

In witness whereof I have hereunto signed my name and affixed the seal of the..... of.....

Cashier (Secretary.)

The New York Federal Reserve Bank has issued the following circular bearing on the Treasury Department's announcement of securities eligible as collateral for Government deposits.

(Circular No. 86.)

FEDERAL RESERVE BANK OF NEW YORK.

New York, October 9 1917.

Dear Sirs.—In connection with the Treasury Department Circular No. 92 (Liberty Loan Circular No. 7) of which the Department has sent you a copy, your attention is especially called to the following:

(1) Enclosed herewith is a form upon which you may make application for designation as depository of the proceeds of the bonds of the second Liberty Loan and of certificates of indebtedness.

(2) You will also find enclosed copy of resolution which must be passed by the board of directors of the applicant bank, and accompany the application.

(3) Bonds or commercial paper offered as security for such deposits should be listed by typewriter on the forms enclosed for that purpose. Bonds should be listed alphabetically in sufficient detail to set forth clearly the exact issue. The full name, rate and maturity of the bonds should be stated. Commercial paper should be listed in the order of maturity giving the name and address of the maker, the endorser and the maturity of the paper.

(4) Three copies of the application, three copies of the resolution and three copies of the list of securities should be furnished.

(5) You will be advised later concerning custody of those of your securities which are approved as security for United States deposits.

(6) Please forward your application and list of securities as soon as possible to Federal Reserve Bank of New York, Government Deposit Department, 50 Wall Street, New York City.

(7) Those institutions which were designated depositories for the proceeds of the last Liberty Loan or previous issues of Certificates of Indebtedness and whose securities are still on deposit with this bank or with authorized custodians, should list those securities so that they can be transferred to the new depository account.

We are very desirous of having each and every incorporated bank and trust company in this district designated a depository at once so that all payments by them for their subscription to the forthcoming issue of Liberty Loan bonds can be made by book credits, thereby greatly facilitating payments. Your attention is called to the fact that the 2% payments for Liberty Loan bonds and the payments for small cash subscriptions can be made by credit as well as other payments.

It will be necessary for those institutions that were designated depositories under the last Liberty Loan to again qualify as depositories to receive any of the funds arising from the sale of the forthcoming issue of bonds.

Applications will be passed on in the order they are received.

Respectfully,

BENJ. STRONG, Governor.

\$300,000,000 OFFERING OF TREASURY CERTIFICATES OF INDEBTEDNESS OVERSUBSCRIBED.

Treasury Department officials on Oct. 16 announced that the recently offered \$300,000,000 issue of Treasury certificates of indebtedness, subscription books to which closed on Oct. 15, had been "tremendously oversubscribed." The certificates bear interest at the rate of 4% and mature on November 22.

HOW FIRST LIBERTY LOAN BONDS MAY BE CONVERTED INTO NEW ISSUE.

Owners of interim certificates and definitive bonds of the first Liberty Loan will be able to convert their holdings into 4% bonds on and after Nov. 1. There are two ways of effecting this conversion, according to a statement issued by the Liberty Loan Committee of the New York Federal Reserve District which adds:

One is by turning in the bonds or certificates of the first issue to the banks, which will then obtain the new fours from the Federal Reserve Bank. The other is by applying directly to the Federal Reserve Bank. In both instances, the Bond Issue Division of the Federal Reserve Bank will handle this business.

It is expected that a majority of all the bonds and certificates of the first Liberty Loan will be converted by the Federal Reserve Bank of New York, even though they were floated through the other branches of the Federal Reserve System.

It will be necessary for persons who obtained interim certificates of the first loan from Federal Reserve banks outside of New York to have them changed into certificates of this Federal Reserve District before they can be converted into four percents.

A branch of the Bond Issue Division at 50 Wall Street will attend to this transfer as well as to the conversion. The branch at present is exchanging interim certificates of the first loan for definitive bonds. It is not necessary, however, for a person to change his or her interim certificate into a definitive of the 3½% issue converting it into 4%. The interim certificate may be presented to a bank or the Federal Reserve Bank.

The person who converts his 3½% will get a 4% of the maturity, namely, 15-30 years, as his 3½%. This 4% of the 15-30 year variety must not be confused with the 4% of the 10-15 year class, now being issued in denominations from \$50 to \$1,000.

Holders of coupon bonds may present their securities to the banks or the Federal Reserve Bank, as stated above, but the owners of registered bonds must assign and transfer them to the Secretary of the Treasury before they can convert them.

TAX-EXEMPT PROVISIONS OF 4% LIBERTY BONDS.

Word was received at the Liberty Loan headquarters in New York from Secretary McAdoo on the 17th inst., setting forth clearly and distinctly the tax-exempt provisions of the 4% Liberty Loan bonds. It is as follows:

1. Four per cent Liberty Bonds are exempt from all State and local taxes except estate or inheritance taxes.

2. They are exempt from U. S. normal income taxes and from all other U. S. taxes except estate and inheritance taxes and except income surtaxes, excess profits and war profits taxes.

3. The interest on \$5,000 principal amount of bonds and certificates owned by any individual, partnership, association or corporation is exempt from all U. S. taxes except estate or inheritance taxes. This is true though their total holdings exceed \$5,000. In case of holdings by trustees, each beneficiary is entitled to independent exemption of the interest on \$5,000 in trust for him even though the trustee is identical, if the trusts be separate. In case of families, the wife and each child, if the actual owner, is entitled to independent exemption of the interest on \$5,000 principal amount so owned.

4. No ownership certificate or other so-called information at the source will be required under the War Revenue Act in connection with the payment of the interest on those bonds, whatever amount owned.

5. Undistributed income invested in these bonds is not subject to the additional tax imposed by that Act upon undistributed income. The foregoing statements apply to the 4% Liberty Bonds now offered for subscription and also to those issuable upon conversion of the 3½% Liberty Bonds end of quota.

CERTIFICATES OF OWNERSHIP UNDER FEDERAL TAX LAW NOT REQUIRED IN CASE OF GOVERNMENT BONDS.

Advices to the effect that the Federal tax authorities will not require certificates of ownership when interest coupons on Government bonds are presented for payment are contained in a circular issued by the Federal Reserve Bank of Richmond, under date of Oct. 15, which we quote as follows:

To Banking Institutions and the Public of the Fifth Federal Reserve District:

We have received inquiries from several sources as to whether for the purposes of the tax authorities certificates of ownership will be required when interest coupons on Government bonds are presented for payment.

Upon the authority of the Treasury Department you are advised that such certificates will not be required. Title 1, part 3, Section 28, of the Income Tax Law, as amended by Section 1211 of the new bill requiring information at the source, expressly states that this provision shall not apply to the payment of interest on obligations of the United States.

Respectfully,

FEDERAL RESERVE BANK OF RICHMOND,

Fiscal Agent of the Government.

PRICES MAINTAINED ON LOW DENOMINATIONS OF LIBERTY BONDS.

Realizing the importance of enabling the holders of \$50 and \$100 Liberty bonds to obtain as good prices for their holdings as are paid for larger amounts, influential banking interests have taken steps for creating an equally good market for the smaller issues. The result was shown in the latest quotations on the New York Stock Exchange for the small issues. Prices were maintained on a basis exactly the same as that for the \$500 and \$1,000 bonds. The 3½% Liberty bonds represent the only issue, so far as known, where odd lots—that is, amounts less than \$500—can be sold at exactly the same price as the larger bonds. For a time there was a spread of some extent between the price for the larger bonds and the small pieces, due probably to the fact that it was not realized in all quarters that the small pieces could be exchanged in correct denominations for the larger pieces. The equality of price now prevailing is a feature which does not exist in the case of most corporation issues, which in many cases show considerable discrepancies between the small bonds and the larger ones.

NET YIELD OF LIBERTY LOAN 4S BASED ON FEDERAL INCOME TAX.

The following table, purporting to show the net yield of the second Liberty Loan 4s based on the Federal War Revenue Tax Law, comes to us from the Federal Reserve Bank of Richmond.

LIBERTY LOAN.

The following table and information are not official but were prepared by a well-known statistician and are believed to be accurate.

FEDERAL INCOME TAX.

Based on Law of October 3 1917, Married Person Basis.

Income—	When Bulk of Income Is Subject to Normal Tax.	When Income Is Free from Normal Tax.	Net Yield of Liberty 4's— Per Cent.
\$1,000-----	\$ 0	\$ 0	4.00
2,000-----	0	0	4.00
3,000-----	20	0	4.00
4,000-----	40	0	4.00
5,000-----	80	0	4.00
7,500-----	205	25	3.96
10,000-----	355	75	3.92
12,500-----	530	150	3.88
15,000-----	730	250	3.84
20,000-----	1,180	500	3.80
40,000-----	3,580	2,100	3.68
60,000-----	6,780	4,500	3.52
80,000-----	10,980	7,900	3.32
100,000-----	16,180	12,300	3.12

Note that the man with an income of \$60,000 or less gets a larger net return by buying the 4% bonds of the Second Liberty Loan than by buying the 3½% tax-free bonds of the first issue.

Note.—The new tax law provides for "an additional tax of 10% upon the amount remaining undistributed six months after the end of each calendar or fiscal year, of the total net income of every corporation, joint stock company, or association, or insurance company received during the year. The law distinctly provides, however, that this tax shall not apply to that portion of such undistributed net income which is actually invested or employed in the business, or is retained for employment in the reasonable requirements of the business, or is invested in obligations of the United States issued after Sept. 1 1917."

This means that if a corporation had undistributed profits for the year of \$100,000, it would be subject to a tax of \$10,000, but if this \$100,000 was invested in the Second Liberty Loan 4s, it would be free from such taxation.

POSTMASTERS WILL CASH LIBERTY BOND COUPONS.

In order that subscribers to the Liberty Bonds may obtain interest on the bonds when due as simply and conveniently as possible, a letter from Postmaster General Burleson to Secretary of the Treasury McAdoo has announced that Postmasters had been authorized to pay interest on the Liberty Bond coupons or Treasury warrants issued in payment of interest on registered bonds. The method of obtaining interest will be simple. A bond holder merely goes to the post office in his locality, presents his coupons or Treasury warrants and they will be cashed immediately. Postmasters will be reimbursed from Washington for all the coupons and warrants which they cash. The United States sub-treasuries and banks will also pay interest when due, as heretofore. The post offices have simply been designated as additional agencies for cashing the coupons in order to facilitate the interest payment.

BANKS TO LEND MONEY AT 4% TO BUY LIBERTY LOAN BONDS.

The members of the Liberty Loan Committee have recommended to the banks that they lend money at 4% to persons desiring to purchase bonds of the second Liberty Loan. A number of the banks have agreed to make loans at this rate, accepting the bonds as collateral with a 10% margin.

SHIPMENT OF NEW 4% LIBERTY BONDS RECEIVED IN NEW YORK.

The Bond Issue Division of the Federal Reserve Bank of New York last week received a preliminary shipment from Washington of 10,000 pieces of Liberty Loan coupon fours. On Monday and Tuesday of this week this and a larger consignment, since received, were ready for distribution to persons who will have subscribed and paid in full for bonds of \$1,000 denomination or less by Oct. 27, the last day of the campaign. The new fours will be handed out to this class of subscribers by the banks which have applied on special forms to the Bond Issue Division. They also will be sent by registered mail from the Bond Issue Division to persons who have entered individual subscriptions at that office, or will enter them by Oct. 27. Last week the Treasury Department in Washington advised the Federal Reserve Bank of New York that 100,000 of the \$50 bonds, 475,000 of the \$100 bonds, 8,000 of the \$500 bonds and 170,000 of the \$1,000 bonds were being shipped from that city. The

Federal Reserve Bank of New York will have approximately 30% of these new bonds. A large part of its quota will be available for distribution at the beginning of next week. "We will ship to each bank an approximate portion of its quota. Please advise us how these shipments compare with your necessity from day to day," read a part of the telegram from Washington, announcing that the bonds were on their way to the Federal Reserve banks.

The Bond Issue Division will allot in full to the banks, if a sufficient quantity of bonds is received here. If there are not enough bonds, the supply will be divided among the banks pro rata. The expectation is that the prompt issue of the fours will speed up the subscription campaign. Individuals who have received their bonds from the banks or the Bond Issue Division will take them home and exhibit them, with the result that they will stimulate interest in the Liberty Loan. In the first campaign this impetus was lacking because the drive was started almost over night and no bonds could be put on the market before the subscription books were closed. Deliveries which were started on Monday, apply only to the second Liberty Loan. It must be understood, also, that holders of bonds of the first loan cannot exchange their holdings for the new fours now being issued. Announcement as to the manner in which the 3½s can be converted into 4s will be made in a few days. The man who turns his 3½ into a 4 does not get a bond with the same maturity as the new fours now being issued, but will convert his bond into a 4, which has the same maturity as the first Liberty Loan, namely 15-30 years. The 4s now being put out over the counter will mature in 10-25 years. The following is the form which the banks will fill out in order to get their bonds for subscribers who have paid in full:

Application by incorporated banks and trust companies for bonds to be sold by them in lots of \$1,000, or less, to any one subscriber upon payment in full by such subscribers of the face value thereof.

To the Federal Reserve Bank of New York:

The undersigned hereby applies for \$----- face value of the 10-25-year 4% convertible gold bonds of the United States to be delivered to subscribers therefor, according to the terms of Treasury Department Circular No. 90, dated Oct. 1 1917. Please notify us from time to time of the face amount of bonds which you are prepared to deliver against this application and immediately upon receipt of such notification we agree to make payment in full to you of the face value of such bonds as you may notify us that you are prepared to deliver up to the amount above specified. Upon receipt of such payment you are to deliver to us the bonds covered thereby.

We hereby agree that no bonds shall be delivered by us except against payment of the face value thereof in full by subscribers whose total subscriptions shall not exceed \$1,000 for any one subscriber. We hereby agree to redeliver to you on or before Oct. 31 1917, bonds delivered to us upon this application with coupons attached not subscribed for on or before Oct. 27 1917, as provided above, and upon such delivery you are to repay to us the face value thereof without interest.

LIBERTY LOAN CAMPAIGN—SPEEDING UP URGED BY TREASURY DEPARTMENT.

The necessity for speeding up the campaign for subscriptions to the second Liberty Loan offering was pointed out by the Treasury Department in a statement issued on Oct. 11, in which it was reported that the total subscriptions actually filed with the Federal Reserve bank and the Treasury Department up to Oct. 10 amounted to but \$325,465,000. The "hardest kind of work on the part of the whole country for the balance of the campaign," which closed Oct. 27, was forecast by the Department; the average daily subscriptions, it was pointed out, must amount to \$208,000,000, whereas the daily average up to the 10th had been but \$36,000,000. The subscriptions in the New York Federal Reserve District, which headed the list made public in the Treasury Department statement of the 11th, amounted to \$228,527,000, San Francisco coming second on the list with subscriptions of but \$16,047,000. The showing of all the Reserve Districts was set out in the statement, which we quote herewith in full:

Secretary McAdoo announces that the total subscriptions for the second Liberty Loan actually filed with the several Federal Reserve banks and the Treasury Department up to the close of business Oct. 10, amounted to \$325,465,000. While a very large number of incorporated banks and trust companies throughout the country have not yet reported any subscriptions to the Federal Reserve banks, and while the Liberty Loan committees have unofficially reported a number of large subscriptions which have not yet been formally filed, even making due allowance for these unreported amounts, the subscriptions thus far received indicate the necessity for the hardest kind of work on the part of the whole country for the balance of the campaign.

Daily Average Should Exceed \$208,000,000.

The Secretary of the Treasury has requested subscriptions to an amount of \$5,000,000,000, in order that allotments might be made up to \$4,000,000,000 in accordance with the terms of Treasury Department Circular No. 90. There are 24 business days during the campaign period, and in order to obtain subscriptions of \$5,000,000,000, the average daily subscriptions must amount to over \$208,000,000 per day; whereas up to date the average has been only about \$36,000,000.

It is particularly important to impress upon the people of the country that this vast undertaking must not be left to the people of great wealth.

as no such sum can be subscribed except by the earnest co-operation of all the people of the country. It is estimated that in the first campaign there were about 5,000,000 subscribers and with the better organization now available, and the large amount of educational work which has been done, we should be able to count at the close of the campaign subscriptions from at least 10,000,000 people.

Official Figures by Cities Reporting.

The official figures follow:

Boston.....	\$41,800,000	Chicago.....	\$4,816,000
New York.....	228,527,000	St. Louis.....	1,729,000
Philadelphia.....	13,583,000	Minneapolis.....	No report.
Cleveland.....	1,895,000	Kansas City.....	1,237,000
Richmond.....	12,229,000	Dallas.....	1,899,000
Atlanta.....	1,703,000	San Francisco.....	16,047,000

Unofficial reports from the West and Central West and Southwest, particularly through the Lakes, Pacific Coast and Missouri regions, gave high hopes of strong support of the loan among the farmers and small-town residents. Scores of telegrams were received indicating a determination not to let the East carry away honors for subscriptions and make it a city, financiers' and bank sale.

Chicago reports indicate that the official figures represent a far smaller amount than has been actually subscribed. San Francisco's unofficial total at noon Thursday had reached \$30,000,000. New England's estimated total was \$48,000,000, Massachusetts giving \$29,000,000, Rhode Island \$7,000,000, Connecticut almost that amount, and the rest was scattering. St. Louis reported that its subscriptions were above \$17,000,000, and New York's was known to be far in excess of the official figures. Cleveland district subscriptions may run as high as 25 times the official report, messages from local committeemen there declared. Within 15 minutes after the sale opened in Omaha, unofficial reports said, that city had subscribed more than \$7,000,000, or about five times the amount reported to the Kansas City Bank.

Sentiment for Loan Strong in New York.

Sentiment for the loan is strong in New York, although buying has been slow, and committee men insist that they will make their maximum quota. Interest in Chicago is quickening, small banks asking for installment plan payment details, and decision has been reached to make the Gran Prix automobile race prizes next Saturday Liberty Bonds instead of cash. Business organizations are taking the sale in hand in Philadelphia.

Among the large sales reported were Bell Telephone Co., St. Louis, \$5,000,000; Crocker National Bank, San Francisco, \$3,000,000; Western Pacific Railway Co., \$1,077,000; Studebaker Corporation, Chicago, \$1,000,000; United Fruit and United Worsted companies, Boston, \$1,000,000 each.

Campaigning has just started in Minnesota and other Northwestern States east of Montana. Work in the far South and Texas is proceeding slowly.

The total subscriptions at the end of the eleventh day was reported by the Treasury Department as \$344,195,550, less than 7% of the \$5,000,000,000 gold. The Treasury Department's statement announcing the figures for the 11th said:

At the end of the eleventh day's sale of second Liberty Loan bonds total subscriptions of \$344,195,550 had been reported to eleven of the twelve Federal Reserve banks in the United States, according to returns made public to the Treasury Department. This is less than 7% of the maximum amount of subscriptions desired by Secretary McAdoo before the close of the drive for \$5,000,000,000 on Oct. 27.

Vigorous methods for increasing sales will be resorted to throughout the country next week. While the unofficial figures received from different sections indicate that subscriptions are much larger than those shown by the official returns, progress made thus far is causing no optimism. The particular needs of the campaign, workers report, is an increased number of small subscribers to spread the message of the loan and with this in view the rallying cry of "10,000,000 Liberty Bond buyers" will be sounded throughout the land.

The official returns made public up to the close of business on Oct. 11 follow:

Boston.....	\$48,600,000	Chicago.....	\$5,671,000
New York.....	228,527,000	St. Louis.....	3,113,050
Philadelphia.....	14,712,850	Kansas City.....	1,237,600
Cleveland.....	1,971,000	Dallas.....	2,208,400
Richmond.....	14,360,450	San Francisco.....	22,091,200
Atlanta.....	1,703,000		

An unofficial report from Minneapolis, where the campaign has not gotten well under way, said the State deposit board had adopted a resolution directing that State funds be withdrawn from all banks failing to push the loan and subscribe for bonds with their own funds, if their reserves warrant. This action is expected to greatly stimulate the sale. Iowa, another State in which the work has been slow in getting under way, was reported to be showing new enthusiasm. The State's quota, it was said, would be met by "hard and persistent efforts."

Country banks, farmers and wage-earners particularly are lining up for the loan throughout the State.

Chicago continues a steady drive and reports good sales in the various Illinois districts.

Quickened interest is displayed in the South, Atlanta reporting that subscriptions were coming in steadily. Nashville got \$2,500,000, and two Atlanta banks subscribed \$1,500,000 each. Great rivalry is being stirred up in Southern army training camps over which shall buy the largest amount of bonds and good sales are resulting.

Thomas H. West, Chairman of the St. Louis Union Bank, made an individual subscription of \$250,000, and Charles B. Rawlins, Grand Secretary and Treasurer of the Order of Railway Telegraphers, announced that his organization would subscribe \$100,000.

San Francisco gave Secretary McAdoo a rousing reception and insisted that it would reach its maximum quota.

Returns of \$399,654,900 were reported up to Oct. 13 in an announcement of the Treasury Department made public on the 15th inst., which we give herewith:

Subscriptions to the second Liberty Loan bond sale reported to eleven of the twelve Federal Reserve banks of the country during the first half of the \$5,000,000,000 drive closed Oct. 13, totaled \$399,654,900, or a shade under 8% of the maximum figure desired by Secretary McAdoo for the campaign ending Oct. 27.

The latest official returns and the allotments made to each district by the Secretary at the outset of the sale follows:

	Reported.	Allotted.
Boston.....	\$59,100,000	\$500,000,000
New York.....	250,910,000	1,500,000,000
Philadelphia.....	16,617,900	415,000,000
Cleveland.....	1,971,000	500,000,000
Richmond.....	21,827,000	200,000,000
Atlanta.....	5,531,000	135,000,000
Chicago.....	10,601,000	700,000,000
St. Louis.....	3,786,000	200,000,000
Minneapolis.....	No report.	175,000,000
Kansas City.....	2,025,000	200,000,000
Dallas.....	3,175,000	125,000,000
San Francisco.....	24,111,000	350,000,000

Total.....\$399,654,900 \$5,000,000,000

Doubtless unreported sales added to the official figures would greatly increase the total, possibly to \$650,000,000 or \$700,000,000. Conservative estimates from the New York, Cleveland, Chicago and San Francisco districts alone add \$180,000,000.

In other words, the latest official figures and most careful estimates of unreported sales make it appear that not more than 14% of the maximum quota has been subscribed. If it is to be attained, \$358,000,000 worth of bonds must be sold every day between now and the close of the drive.

With the hardest kind of work the goal may be accomplished. Committees are determined. Many prospects are in sight. There is not a single spot in the country where it can be said positively that failure is probable, despite the fact that many sections are far below their quotas.

Designation by the President of Wednesday, Oct. 24, as Liberty Loan Day will have a stimulating effect on sales, different cities striving to hang up high marks for the day.

In the South, where, next to Minneapolis, slow sales have caused the greatest concern, a splendid new spirit is showing.

Reports from most of the country west of the Mississippi indicate great enthusiasm and brisk sales. Secretary McAdoo has had wonderful receptions and has much confidence in the ability of the various districts to make their quotas. Chicago workers are going steadily.

It was reported last night that subscriptions of more than \$2,000,000,000 are expected by officials to be paid into the various banks by to-night. According to reports received yesterday (the 19th inst.) by the Treasury Department from the various Federal Reserve districts, subscriptions to date total \$1,535,000,000, this amount representing unofficial estimates of the Liberty Loan committees.

In stating that the results of the efforts to secure subscriptions to the new Liberty Loan bonds were discouraging Secretary of the Treasury McAdoo at Los Angeles on Oct. 12 said:

People look at the bonds like stocks. They think they are speculation. They are not. Any bond of this issue can be converted into cash in an hour's notice. It is better than cash because it is exempt from taxation, and bears interest at 4%.

If the thousands of patriotic citizens of this country want to win this war now is the time for them to show it. If they don't subscribe for this loan and lend their money to the Government, they are helping the enemy.

Every person who refused to subscribe or who takes the attitude of "let the other fellow do it," is a friend of Germany, and I would like nothing better than to tell it to him to his face.

A man who says he can't afford the \$50 for a bond speaks untruly. The bond can be bought at the rate of \$5 a month for a \$50 bond and \$10 a month for a \$100 bond.

A man who can't lend his Government \$1 25 a week at the rate of 4% interest is not entitled to be a citizen.

In a speech at San Francisco on the 11th inst. Mr. McAdoo declared that "if one single loan offered to the American people should fail, it would be a more fateful disaster than the loss of a great battle." His slogan is "buy a bond and stop the war." The Los Angeles "Times" of the 12th inst. in a dispatch from San Francisco, quoted him as saying:

I should like you to realize that every dollar that is paid to a soldier, every pair of shoes that is put on his feet, every piece of clothing that he wears, every gun that he carries, every cartridge that he fires, every 16-inch shell that is fired from the monster guns of our battleships and every shovelful of coal that is consumed in them depends upon the money in the United States Treasury. And so, unless you keep the gold pile in the Treasury sufficient for the demand; unless you keep it so large and ample that whatever strain your Government puts upon it for the purpose of this war shall find a ready response, then the light of Liberty goes out into the world—and where is America?

I believe this war is coming to a conclusion in a shorter time than is generally expected. I do not base this on any inside information, but on my belief in the results that American efficiency which I see on all sides will achieve.

Stating that \$18,000,000,000 was needed by June 30 1918, Secretary McAdoo said:

Four billion of this amount will be raised by taxation, and the remaining \$14,000,000,000 by bond issues. Of this amount \$8,100,000,000 is required to equip the army now going to the training camps. There is needed \$1,250,000,000 to \$1,500,000,000 to increase the navy and a large part devoted to the construction of torpedo-boat destroyers.

SECRETARY McADOO INTIMATES CONSCRIPTION OF WEALTH IF LIBERTY LOAN FAILS.

An intimation by Secretary of the Treasury McAdoo that the Government might conscript money, if necessary to carry on the war, was given in the following excerpt from his speech at San Diego, according to the New York "Sun" of the 18th inst.:

Suppose that such an unspeakable thing should happen as that the people of the United States should fail to buy these Liberty bonds. Then we shall have to conscript the wealth of the nation. We do not want to do it, but when the Government is conscripting the manhood of the country and when it is conscripting human life to carry on the war to a successful conclusion is it any time to be more tender with our dollars?

LIBERTY LOAN SUBSCRIPTIONS.

Some of the larger subscriptions to the Second Liberty Loan offering in the New York Reserve district, unofficially compiled since our last report, have been as follows:

Guaranty Trust Co. (subscriptions to date).....	\$26,500,000	Wm. A. Read & Co.	\$1,000,000
J. P. Morgan & Co.	25,000,000	Savings Bank of Utica.....	1,000,000
Central Trust Co. (subscriptions to date).....	25,000,000	Union Trust Co. of N. Y.	1,000,000
Central Trust Co.	20,000,000	American Express Co.	1,000,000
National Bank of Commerce, New York City.....	20,000,000	Scandinavian Trust Co.	1,000,000
United States Steel Corp.	15,000,000	F. S. Smithers & Co.	1,000,000
Bankers Trust Co.	10,000,000	Louis G. Kaufmann (through Chatham & Phenix Nat. Bank).....	1,000,000
Kuhn, Loeb & Co.	10,000,000	Dry Dock Sav. Inst.	1,000,000
Guaranty Trust Co.	6,000,000	Ladenburg, Thalmann & Co.	1,000,000
Louisville & Nashv. RR. Co.	6,000,000	Title Guaranty & Trust Co.	1,000,000
Brown Bros. & Co.	5,000,000	American International Corp.	1,000,000
Farmers Loan & Trust Co.	5,000,000	Empire Trust Co.	1,000,000
Mechanics & Metals Nat. Bank.....	5,000,000	American Brass Co.	1,000,000
N. Y. Life Ins. Co.	5,000,000	New Jersey Zinc Co.	1,000,000
E. I. du Pont de Nemours Powder Co.	5,000,000	Public Nat. Bank, N. Y. C.	1,000,000
Nat. State Bank of Newark, N. J.	4,000,000	Continental Insurance Co.	1,000,000
Mutual Benefit Life Ins. Co. (Newark).....	4,000,000	J. R. de Lamar (through Bankers Trust Co.).....	1,000,000
Chicago & North Western RR. (through Nat. City Bank).....	3,500,000	H. W. Johns-Manville Co.	850,000
Del., Lackawanna & Western Coal Co. (through First Nat. Bank).....	3,500,000	City Trust Co. of Buffalo.....	750,000
Corn Exchange Bank.....	3,000,000	Philippine Nat. Bank (subscriptions in the Islands).....	750,000
U. S. Mortgage & Trust Co., New York City.....	3,000,000	Auburn Trades Committee.....	730,000
Chicago, Mil. & St. Paul Ry. Co. (through National City City Bank).....	2,500,000	New York Dock Co.	600,000
Consolidated Gas Co. (subsidiaries).....	2,500,000	Lincoln Trust Co.	570,000
Interborough Rapid Transit Co. (through Guaranty Trust Co.).....	2,500,000	Aetehison, Topeka & Santa Fe Ry. Co. (through Central Trust Co.).....	500,000
American Locomotive Co.	2,000,000	F. Blumenthal & Co.	500,000
Guggenheim Brothers.....	2,000,000	Bowery Sav. Bank (through Corn Exchange Bank).....	500,000
The Chemical Nat. Bank.....	1,500,000	Chandler & Co., Inc.	500,000
Marlin-Rockwell Corp.	1,500,000	Commercial Union Assurance Co. of London.....	500,000
Midvale Steel & Ordnance Co.	1,500,000	Dominek & Dominek.....	500,000
Seaboard Nat. Bank.....	1,500,000	Fidelity Trust Co., Buffalo.....	500,000
New York Fur Merchants' Manufacturers Nat. Bank, Troy.....	1,057,400	H. H. Franklin Manu. Co.	500,000
American Can Co. (through First Nat. Bank).....	1,000,000	O. E. Foster of Foster, Millburn Co., Buffalo.....	500,000
August Belmont & Co.	1,000,000	Gillette Safety Razor Co.	500,000
Bank of Long Island.....	1,000,000	Globe & Rutgers Fire Ins. Co.	500,000
Dime Sav. Bank of Bkln.....	1,000,000	Hudson & Manhattan Co.	500,000
Erie County Savings Bank of Buffalo.....	1,000,000	International Agrl. Corp.	500,000
Gimbel Brothers.....	1,000,000	Jacob Ruppert Brewery.....	500,000
Harriman Nat. Bank, N. Y. C.	1,000,000	F. B. Keech & Co.	500,000
Heidelbach Ickelheimer & Co. (\$500,000 through Corn Exchange Bank).....	1,000,000	Adolph Lewisohn & Son.....	500,000
Howard Sav. Inst., Newark.....	1,000,000	Lincoln Nat. Bank, N. Y. C.	500,000
International Nickel Co.	1,000,000	Mercantile Bank of America, Nat. Bank of Glens Falls.....	500,000
Kountze Bros. (through Atlantic Nat. Bank).....	1,000,000	E. Naumburg & Co.	500,000
The Lackawanna Steel Co., Buffalo.....	1,000,000	N. Y. Rys. Co. (through Guaranty Trust Co.).....	500,000
B. Lisberger & Co.	1,000,000	Railway Steel Spring Co.	500,000
Merchants National Bank, New York City.....	1,000,000	Virginian Ry. Co. (through Nat. City Bank and Farmers Loan & Trust Co.).....	500,000
National Conduit & Cable Co., Inc.	1,000,000	Worthington Pump & Machinery Co.	500,000
Phelps Dodge Corp. (through First Nat. Bank).....	1,000,000	Yokohama Specie Bank, Ltd.	500,000
N. Y. Produce Ex. Bank.....	1,000,000	Manton B. Metcalf.....	500,000
Rochester Savings Bank, Rochester, N. Y.	1,000,000	International Banking Corp.	500,000
		Newburgh Savings Bank.....	500,000
		Metropolitan Bank.....	500,000
		Garfield National Bank.....	500,000
		George W. Helme Co.	500,000
		New York Air Brake Co.	500,000
		National Biscuit Co. (through First National Bank).....	500,000
		Lawrence Turnure & Co.	500,000
		Clarke, Dodge & Co.	500,000
		Miller & Co.	500,000
		West Virginia Pulp & Paper Co.	500,000
		Union Dime Savings Bank.....	500,000

DAILY SUBSCRIPTIONS TO LIBERTY LOAN IN NEW YORK FEDERAL RESERVE DISTRICT.

The following table showing the progress of the Second Liberty Loan in the New York Federal Reserve District up to the 13th inst. was made public by the Liberty Loan Committee. Each day's subscription is indicated, its proportion of the average daily allotment and the percentage. Because of the practically two-day holiday, occasioned by the observance of Columbus Day, the percentage for Friday, Oct. 12, and Saturday, Oct. 13, was very small, and in the thirteen days of the campaign only \$290,000,000 (19%) was subscribed.

Day—	Allotment (Daily).	Subscription.	Per Cent.
Oct. 1.....	\$62,500,000	\$15,000,000	24%
" 2.....	62,500,000	40,000,000	64%
" 3.....	62,500,000	50,000,000	80%
" 4.....	62,500,000	40,000,000	64%
" 5.....	62,500,000	50,000,000	80%
" 6.....	62,500,000	15,000,000	24%
" 7.....	62,500,000	7,000,000	11%
" 8.....	62,500,000	33,000,000	53%
" 9.....	62,500,000	15,000,000	24%
" 10.....	62,500,000	19,000,000	30%
" 11.....	62,500,000	4,000,000	6%
" 12.....	62,500,000	2,000,000	3%
" 13.....	62,500,000		
Total.....	\$750,000,000	\$290,000,000	39%
Total allotment.....			\$1,500,000,000
Total subscriptions first twelve days.....			290,000,000

OCTOBER 24 PROCLAIMED LIBERTY DAY BY PRESIDENT WILSON.

A proclamation, officially proclaiming Oct. 24 as Liberty Day throughout the nation, was issued by President Wilson on Oct. 12. On the date designated the President requests that patriotic meetings be held in every city, town and hamlet under the general direction of the Secretary of the Treasury and the immediate direction of the Liberty Loan

Committees. In his proclamation the President sets out that "the might of the United States is being mobilized and organized to strike a mortal blow at autocracy in defense of outraged American rights and of the cause of liberty." Pointing out that the call of the first Liberty Loan resulted in an oversubscription of more than 50%, the President says: "Let the response to the second loan be even greater, and let the amount be so large that it will serve as an assurance of unequalled support to hearten the men who are to face the fire of battle for us." The proclamation follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION.

The second Liberty Loan gives the people of the United States another opportunity to lend their funds to their Government to sustain their country at war. The might of the United States is being mobilized and organized to strike a mortal blow at autocracy in defense of outraged American rights and of the cause of liberty. Billions of dollars are required to arm, feed and clothe the brave men who are going forth to fight our country's battles and to assist the nations with whom we are making common cause against a common foe. To subscribe to the Liberty Loan is to perform a service of patriotism.

Now, therefore, I, Woodrow Wilson, President of the United States of America, do appoint Wednesday, Oct. 24, as Liberty Day, and urge and advise the people to assemble in their respective communities and pledge to one another and to the Government that represents them the fullest measure of financial support. On the afternoon of that day I request that patriotic meetings be held in every city, town and hamlet throughout the land, under the general direction of the Secretary of the Treasury and the immediate direction of the Liberty Loan committees which have been organized by the Federal Reserve banks.

The people responded nobly to the call of the first Liberty Loan with an oversubscription of more than 50%. Let the response to the second loan be even greater, and let the amount be so large that it will serve as an assurance of unequalled support to hearten the men who are to face the fire of battle for us. Let the result be so impressive and emphatic that it will echo throughout the empire of our enemy as an index of what America intends to do to bring this war to a victorious conclusion.

For the purpose of participating in Liberty Day celebrations all employees of the Federal Government throughout the country whose services can be spared may be excused at 12 o'clock Wednesday, October 24.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the District of Columbia, this 12th day of October, in the year of our Lord, one thousand nine hundred and seventeen, and of the Independence of the United States of America the one hundred and forty second.

(Signed) WOODROW WILSON.

By the President.

(Signed) ROBERT LANSING,
Secretary of State.

Following the issuance of President Wilson's proclamation, Governor Whitman of New York, on Oct. 16, proclaimed Oct. 24 as Liberty Day throughout the State. Similar action was taken by the Governors of other States.

ALLEGED EFFORTS OF PRO-GERMAN AGENTS TO DEFEAT LIBERTY LOAN.

The disclosure of efforts of pro-German agents to defeat the second Liberty Loan was reported in dispatches from Washington on Oct. 17. The New York "Times" in its dispatch said:

Their organized propaganda is alleged to have borne fruit in scattered localities from Minnesota to Texas, where weak efforts have been made, not openly, but by indirect methods, to discourage subscriptions.

The work of the pro-German agents, officials assert, has been carried on for more than two weeks. Some of the workers have had the temerity, reports to the Treasury indicate, to conduct their operations here in the national capital.

Official recognition of the propaganda against the loan was voiced to-day (Oct. 17) by Colonel Herbert M. Lord, representing the War Department at the War Risk Insurance Conference, at which the details of the new soldiers' and sailors' insurance law are being explained to officers and enlisted men from various cantonments.

"There has been organized effort," said Colonel Lord, who was Chairman of to-day's meeting, "to discourage and defeat the loan."

This effort, he added, had been made by "seeking to misrepresent the patriotism of the National Army."

Colonel Lord added to-night in explanation that what he really said to the conferees was that if they had read the morning newspapers they had observed there was an organized effort to discourage and defeat the loan. He explained also that he had no knowledge other than what he saw in the newspapers, and that, so far as he knew, there was no organized effort among the soldiers to discourage the loan.

An official account of the proceedings of the conference, which was held behind closed doors, issued to-night by the Treasury Department, reads as follows:

"In convincing refutation of the slander, which was to the effect that the men of the new National Army were opposed to the war, Colonel Lord announced that subscriptions from the army for the loan already aggregate \$26,000,000, and that some of the subscriptions were written in foreign languages.

"The announcement caused great enthusiasm among the delegates from the army and navy, marine corps and coast guard (attending the conference), 500 of whom swarmed up to the platform following the address and signed war insurance applications, all of which, except forty, were for the maximum of \$10,000."

Assembled from various sources, the efforts of workers against the loan appear to have been directed along four main channels:

Attempts to discourage prospective buyers of Liberty bonds.

Efforts to prevent certain banks from handling the bonds.

The publication in certain newspapers and other mediums of publicity of editorials and articles which, while not directly opposing loan subscriptions, tend to discourage buyers.

The prevention, so far as local and sporadic efforts can prevent, of the placing of Liberty Loan posters and advertising literature where they will be most beneficial.

The Federal Government on Oct. 18 took steps toward rounding up any pro-German workers who might have been identified with a movement to defeat the Liberty Loan. Secretary of the Treasury McAdoo at Salt Lake City authorized the issuance of a statement calling upon all banks upon which German pressure has been brought to bear in an effort to induce them not to aid the loan to report the circumstances to him, and promising to prosecute to the limit of the law the "disloyal and traitorous persons" making such attempts at intimidation. Department of Justice officials also began an investigation into the workings of the alleged conspirators with a view to prosecutions, where justified, under the Espionage and other laws dealing with sedition and attempt to thwart the Government's war purposes. Secretary McAdoo's statement was as follows:

From several sections of the country bankers have reported to me that some of their customers have threatened to withdraw deposits if their banks subscribed to the Liberty Loan. Such attempts at intimidation are made by disloyal and traitorous persons and are serious offenses against the law, for which stern punishment should be inflicted.

I earnestly request any banks, State or national, against which such threats have been made to report immediately by telegram or letter to the Secretary of the Treasury, Washington, the names and addresses of the person or persons guilty of such disloyal and traitorous actions and I shall see to it that they are dealt with to the limit of the law.

I also request such banks to inform me immediately if any deposits are withdrawn because they subscribed to the Liberty Loan, giving me the name of the person or persons who have made such withdrawals.

Every bank in the United States subscribing to the bonds of the United States Government will be protected with all the power and resources of the Government. No bank shall be punished for doing its patriotic duty by assisting the Government to prosecute the war to a swift and victorious conclusion.

FRANK A. VANDERLIP NAMES STAFF TO ASSIST HIM IN SELLING WAR SAVINGS CERTIFICATES.

Announcement was made on Oct. 19 that Frank A. Vanderlip, Chairman of the War Savings Certificates Committee, which will have charge of the campaign in selling the \$2,000,000,000 of war savings certificates recently authorized by Congress, had named the complete personnel of the staff which will assist him in selling the certificates. His staff will be composed of the following:

James E. Kavanagh, Fourth Vice-President of the Metropolitan Life Insurance Co., of New York City; R. F. Hunt, President of the Morris Plan Co., of Philadelphia; C. C. Conway, Vice-President of the Davis Piano Co., of New York City; H. D. Marshall, Vice-President of the Phoenix National Bank, of Phoenix, Ariz.; Milton W. Harrison, Secretary of the Savings Bank Section of the American Bankers' Association; G. B. Bryer, bond broker, of New York City; Joseph Bagley, of the American Bank Note Co.; R. F. Ayres, of the Hanff-Metzger Co., advertising agents, New York City.

E. F. McMANUS, OF LAWRENCE TURNURE & CO. MEMBER OF LIBERTY LOAN EXPORT COMMITTEE.

Edward F. McManus, of Lawrence Turnure & Co. of this city, has been appointed a member of the Shipping, Import and Export Division, of the Liberty Loan Committee, to solicit subscriptions from all individuals and firms doing business with these trades.

SECRETARY OF LABOR W. B. WILSON IN APPEAL TO WORKMEN REGARDING LIBERTY LOAN.

A strong appeal to the workingmen of this country to participate in the Second Liberty Loan to the fullest extent was made at Washington on Oct. 14 by William B. Wilson, Secretary of Labor. Secretary Wilson points out that "the workers have more at stake in this great conflict than any others, because it is only in a democracy that the common people can come into their own." Secretary Wilson's statement is as follows:

The great European war in which we are now involved came to the people of the Western Hemisphere as a terrible shock, and to no portion of the people did it come as a greater shock than to the wage-earners of the United States. They believed in and wanted international peace, but they wanted it on a basis of international justice which would insure the right of our people to govern themselves. When the Imperial German Government undertook to destroy the lives of our people and to impose a rule of conduct upon us without our consent in places under the jurisdiction of the United States Government, there was no course left but to resist.

The workers have more at stake in this conflict than any others, because it is only in a democracy that the common people can come into their own. The great privilege is not given to all of us to serve our country on the battlefield or in the trenches, but there are other ways in which we can serve and assist those who are privileged to carry our flag on the battlefields of Europe. The impulse of sacrifice for the common good is sending the youth of our country into the trenches in defense of liberty, humanity and democracy. To those of us who must of necessity remain at home to till the soil, harvest the crops, man the factories, mines and mills, the way is open for additional service. We too must make sacrifices. The men who go forth to do battle in the field must be equipped and sustained. Funds must be forthcoming to furnish the food, the fire-arms and other supplies for the fighting forces of the nation. Finances for that purpose must be secured immediately from the sale of bonds. The workers can help by contributing their mite.

I am reminded of the fable of a great drought when the crops were wasting for the want of water, and one little raindrop said to another in the clouds. "I would like to go down to the relief of the farmer and his perishing crops, but I am so little it would be useless." And another little

raindrop replied, "It would be useless for you to go down alone, but let us all go down and our combined effort will bring the needed relief." The advice was accepted and a beautiful shower poured down on the land and the crops were saved for the harvest.

And so it is with the workers. The funds each has available is but a drop, but all of the drops together can make a shower of funds that will furnish the needed supplies, bring joy to the hearts of the boys at the front and consternation to our enemies.

NEW LIBERTY LOAN BONDS SOLD IN SUB-TREASURY AND DEPARTMENT STORES.

The Sub-Treasury Building, it was announced on Oct. 17, will be used for the sale of the Liberty Loan bonds. Not only will subscriptions be taken for large and small bonds, but some of the new 4s, quantities of which have been and are being sent from the Treasury Department in Washington, will be displayed there and may be bought for cash in denominations from \$50 to \$1,000. The new Liberty Loan 4s are being sold to-day for cash by ten department stores in Manhattan and Brooklyn. The supply of bonds in these stores is limited because of the great demand for them in all parts of the city. The stores which have the bonds are B. Altman & Co., Lord & Taylor, Franklin Simon & Co., Bonwit, Teller & Co., Gimbel Brothers and James McCreery & Co. in Manhattan, and Abraham & Strauss, Oppenheim, Collins & Co., Loeser's and A. I. Namm & Son in Brooklyn. No individual will be permitted to buy more than \$1,000 worth of the new 4s. He or she may subscribe for a larger amount, however, at any of the department stores and wait until the end of the campaign for delivery. The Bond Issue Division of the Federal Reserve Bank of New York is kept busy filling the orders for the new 4% bonds which were filed by various banks in the Second Federal Reserve District. These banks will distribute a portion of their bonds among the department stores so that the Liberty Loan campaign may be stimulated among the shoppers. Then, too, the banks will sell the bonds over the counter to their own depositors and others who wish to subscribe.

LIBERTY LOAN SUBSCRIPTION FROM ABROAD.

The first Liberty Loan subscription from abroad to be reported at Liberty Loan headquarters was received through the Guaranty Trust Co. of New York from the Commercial Union Assurance Company of London for \$500,000.

LOAN PLACES GREAT RESPONSIBILITY ON BANKS.

"The banks now face the greatest responsibility in their existence," is the keynote of a statement just issued by the General War Loan Committee of the American Bankers' Association, which is co-operating with the Liberty Loan Committee. This statement, directed at the banks of the United States, goes on to say:

The business of the banker will not be as usual. On the contrary, it will be quite unusual. Loans and rediscounts will need be temporarily expanded. The safety of the nation depends upon a proper handling of the problems of financing. Every dollar must be made to do its maximum service.

The cause is just. America has gone in for victory. Much depends upon the second Liberty Loan. It cannot be allowed to fail. Four million subscribers were marshalled in the first campaign. Ten million more must be added in the second drive. Citizens of Great Britain subscribed \$5,000,000,000 to her last war loan. The population of the United States is double that of Great Britain. Our people are no less prosperous and patriotic. They will respond but must be reached through personal appeal. No one can reach them as can the banker. He knows the people of his community. Knows their habits, circumstances and debt paying ability. It is, therefore, necessary that every banker double and redouble his efforts.

Some bankers have faltered because of fear of disturbance to their deposits. This situation has been met by others through promotion of the sale of bonds on the partial payment plan. It is better to mortgage the future savings of the people than to have money withdrawn from banks and consequently from business. The fact that the funds arising from the sale of Liberty bonds will be spent in America and will gradually return to the banks through the channels of trade should not be overlooked.

To win this war the bonds must be sold, production must be stimulated, savings must be increased and waste must be eliminated. These things can be accomplished only through wholehearted co-operation and determined effort on the part of every banker. The success of the second Liberty Loan will cast an everlasting shadow of gloom across the German Empire. Failure to promptly sell the bonds means increased taxation. The bankers have never failed to answer the call of the nation and they won't fail now.

VISCOUNT READING AT CARNEGIE MASS MEETING APPEALS FOR LIBERTY LOAN.

Viscount Reading, Lord Chief Justice of England, was the chief speaker at a Liberty Loan mass meeting held on the 18th inst. at Carnegie Hall. Dr. Nicholas Murray Butler, President of Columbia University, presided at the gathering. Viscount Reading in using all the force within his power to impress on his hearers the necessity of subscribing to the Liberty Loan bonds, said in part:

If you have faith in your Government, as I believe you have, if you put your trust in your President and his Administration, as I believe you do, then pour out your money to help the Administration shorten the war. The more you help, the greater the assistance you give, the better the chance of an earlier close to the war; the longer you delay with your subscriptions and with your contributions, the longer will be the war, and the greater the danger that will be run by those, all those whom you love best who have gone or are going to the war.

You are fighting for a glorious cause; you are fighting for a war to end war. Paradoxical as it may seem, you are fighting a war for peace, a durable peace, for our children and our children's children when the end comes—and it is yet at a remote distance. Let no man think that peace is in sight—if it comes earlier than expected, it is all to the good; but never relax your precautions. It is part of the enemy's wile to make you think at times that peace is drawing near.

Preparations must be continued as if the war will last for a very long while—pray that it may not. When the peace comes, it must be our peace, not of Germany. When the peace comes, it must be one which will be based upon justice and liberty. When the peace comes, let us all be able to give forth one united cry, which will resound throughout the whole universe with our hallelujah, "The world has been won for liberty."

George W. Wickersham, formerly U. S. Attorney-General, and George Wharton Pepper of Philadelphia also addressed the gathering. Among those on the platform were J. Pierpont Morgan, Benjamin Strong, Governor of the Federal Reserve Bank of the New York District; Martin Vogel, Assistant Secretary of the Treasury; Jacob H. Schiff and Charles H. Sabin.

NEW YORK BANKS ASKED TO REMAIN OPEN EVENINGS TO FURTHER LIBERTY LOAN.

A resolution in which it was requested that banks in sections of New York City where demands warranted, should remain open in the evening to handle Liberty Loan subscriptions was adopted by the Liberty Loan Committee of the New York Federal Reserve District on Oct. 18. Walter E. Frew, President of the Corn Exchange Bank, announced that all the branch offices of his bank would be open Wednesday, Thursday and Friday evenings of next week.

THOMAS W. LAMONT ON THE LOAN.

Speaking on the Liberty Loan at the Brooklyn Academy of Music on Oct. 17, Thomas W. Lamont said:

It is not necessary for me to enlarge on the details of the loan. Isn't it enough that your country needs the money? And that your country promises to pay it back to you after a certain number of years? Pays you 4% interest per annum—a wonderful rate for a U. S. bond—promises to pay you an even higher rate if later on it issues a bond yielding a better interest return? What is the use of reiterating these things? Of telling you that this loan is a first mortgage on the wealth and resources of America, and that that wealth is estimated at not less than 225 millions—75 times the amount of this loan? Of shaming you by saying that since war began England, France, Italy and Russia have borrowed from their people almost 50 billions of dollars and yet their combined wealth is no greater than ours alone?

No, friends, this is not a question of details like this. It is a question simply—Are you determined to save your Government? And I know you are!

SOLDIERS TO HOLD FIELD DAY FOR LIBERTY LOAN.

The soldiers guarding the port of New York, the men who are manning the big-gun batteries at Fort Hamilton, Fort Totten and Fort Wadsworth, are going to hold a celebration to help the Liberty Loan campaign. On Oct. 24 there is scheduled a field day at Fort Hamilton, at which 2,000 soldiers will take part. There will be a foot-ball game and other athletic events. In the evening several speakers will explain the importance of subscribing to the Liberty Loan. Also there is going to be a banquet and a band concert. According to Capt. Clarence A. Clifton of the Coast Artillery Corps, the officer in charge of the flotation of the bonds in the coast defenses of New York City, fully 75% of the troops in the defenses have already bought bonds under the scheme of partial payment evolved for soldiers by the War Department.

BUSINESS FIRMS ADVERTISE LIBERTY LOAN.

Through the generous co-operation of over 300 advertisers in the New York City newspapers, Liberty Loan appeals are appearing each day in both morning and evening papers as part of the regular advertising of these firms. The Liberty Loan advertisements are scattered through the papers so that the loan is mentioned on nearly every page. Big display advertisements will shortly appear in space which has been donated to the Liberty Loan Committee by the department stores which have placed 15 full pages at the disposal of the Committee.

REGULATIONS FOR THE CONDUCT OF THE REGENTS LIBERTY LOAN CONTEST.

The following are the regulations announced by John H. Finley, Commissioner of Education, for the conduct of the Regents Liberty Loan contest:

First. Pupils in public and private academic schools of New York State are eligible to enter the competition.

Second. A bronze medal will be awarded for the best essay from each Assembly district and a gold medal and a Liberty Bond for the best essay from the State at large.

Third. In each county, superintendents (city, village and district) are requested to appoint a committee to meet at some appointed time and place to select from the essays submitted the ones which, in their estimation, are entitled to the awards for the county.

Fourth. Topics are to be drawn from material suggested in the Source Book for Teachers.

Fifth. Essays cannot be accepted if written after Oct. 27 1917, and, if submitted for the State award, will not be received later than Nov. 15. Such essays should be sent to the Secretary to the Commissioner of Education, Educational Building, Albany.

Sixth. Essays are to be from 500 to 750 words in length.

Seventh. In judging essays 50% will be allowed for content and 50% for form.

Teachers are asked to make this a part of regular class work.

JOHN H. FINLEY,
Commissioner of Education.

BUILDING AND LOAN SOCIETIES WILL RECEIVE LIBERTY LOAN SUBSCRIPTIONS.

Building and loan societies in New York City have been brought into the Second Liberty Loan campaign through the banks represented on the Liberty Loan Committee. Subscriptions of the building and loan societies will be handled by these banks. Arthur M. Anderson, Executive Secretary of the Distribution Committee at Liberty Loan headquarters on Oct. 11 authorized the following statement:

At a meeting of the Liberty Loan Committee, arrangements were perfected for placing special facilities at the disposal of the savings and loan societies in New York City to assist them in obtaining small subscriptions from their members. The savings and loan societies, it appears, have certain fixed restrictions on their borrowing powers which militate against their following the customary practice of establishing a specific loan at the bank. Consequently a number of the banks represented on the Liberty Loan Committee have agreed to set aside out of bonds from which they are subscribing for their own account, an amount sufficient to take care of the subscriptions of the building and loan societies up to a reasonable figure, these bonds to be taken up by the building and loan societies within a year on regular payments from week to week or from month to month, the building and loan societies thus assuming the obligation on behalf of their respective members. It is believed that the building and loan societies represent a very effective medium for the distribution of small bonds, as they have for year been operating along the lines of co-operative saving.

BANK DEPOSITORS TO BE CANVASSED FOR LIBERTY LOAN.

Depositors in the banks and trust companies of New York City are to be canvassed in behalf of the Liberty Loan. The committees on national banks, State banks and trust companies have outlined their part in the campaign in the following memorandum:

The three Bank Committees should apportion among themselves the various institutions allotted to their committees according to personal acquaintance, and each member of such committee should, if unable to do this work himself, delegate to one of his officers the work of seeing that each institution allotted to him should appreciate the necessity of subscribing to the Loan for its own account, of encouraging the subscription by depositors and others who borrow money with a view to liquidating the loans out of future savings and if necessary rediscount freely with the Federal Reserve bank in order to preserve their cash position. In detail the institution should be requested furthermore to perform the following functions:

(1) Make adequate provisions for carrying bonds on a basis of partial payment, either the official partial payment plan adopted by the Department, or at the option of the subscriber, a partial payment plan based on the payment of \$1 a week. The banks should also see that so far as possible the bonds are carried on partial payment plans at an interest rate not in excess of the interest rate borne by the bonds.

(2) The Committee should see that each bank arranges to canvass its own employees for subscriptions, and so far as possible, endeavor to have a 100% record in this respect.

(3) The Committee should see that each bank supply adequate facilities through the use of sufficient windows and information bureaus to accommodate inquirers.

(4) The Committee should see that each institution delegate a sufficient number of its officers and head clerks who normally come in contact with the public, such as assistant cashiers and tellers, to canvass personally all of the depositors of the institution allotted to such committee, with a view to obtaining a subscription commensurate with the depositors' means.

(5) Each member of the Bank Committee should see that each of its employees and those of the institutions allotted to it receives sufficient information about the Loan to discuss it intelligently with inquirers. The Committee plans to prepare for distribution a small card which will cover this subject.

It is suggested that a meeting be held immediately of the four committees, and that every committee canvass each bank coming under its direction either by personal telephone or by selecting a few bond men to call on each bank, so that each bank will be certain to accept subscriptions on the partial payment plan.

MORRIS PLAN COMPANY'S SUBSCRIPTION TO LIBERTY LOAN BONDS.

The Morris Plan Co. of New York has arranged to take subscriptions for the Second Liberty Bond issue in small denominations, increasing its aggregate amount from \$1,000,000 to \$2,000,000. Subscription blanks are being distributed by the company among the 700 or more branch money order stations of the American Express Co., where initial and monthly money order payments may be made

to the Morris Co. The money order phase of making installment payments for the bonds is expected to facilitate bond buying on the above plan.

U. S. SOLDIERS IN FRANCE AUTHORIZED TO SUBSCRIBE TO LIBERTY LOAN.

The French Government, according to an Associated Press dispatch from Paris on Oct. 15, has authorized subscriptions in France to the Liberty Loan by American soldiers. The Government, it is said, in this instance waives the application of the general decree against subscriptions to foreign loans in France, and also the interdiction of the exportation of money. This privilege is limited to American soldiers.

POST OFFICE CONDUCTS LIBERTY LOAN CAMPAIGN.

In the campaign to sell to every man, woman and child the New York Federal Reserve District a Liberty Bond of the new loan, the New York postal authorities, from Postmaster Thomas H. Patten down to the newest elevator boy in the post office building, are "doing their bit." The Post Office Department has adopted a significant motto which it is following to the last letter. The motto is: "Back the Boys in the Trenches: Buy a Liberty Bond." A General Order from Postmaster General Burleson regarding the part his Department is going to play in the Liberty Loan drive reads:

Office of the Postmaster General,
Washington, Oct. 2 1917.

To all Postmasters and Postal Employees:

With reference to the circular of the Secretary of the Treasury, dated Sept. 7 1917, in relation to the second Liberty Loan, you are requested to aid all postal employees attached to or paid by your office in subscribing to the Liberty Bonds, fully explaining to them the advantages of the bonds as a safe investment and arranging with subscribers for making payments either on the terms prescribed by the Treasury Department or on such easier terms as can be arranged for with local banks.

The subscriptions of postmasters and postal employees generally to the first Liberty Loan were liberal and very gratifying to the Department, and it is hoped that the showing on the second Liberty Loan will be as creditable.

A subscription to the second Liberty Loan will not only be a means of encouraging thrift on the part of the individual, but will be another indication of his patriotism and his desire to help the United States win the war against Germany.

What is most important at this time is that postmasters and postal employees generally should be very careful to see that the widest dissemination is given to all circulars, literature and documents sent them by the Treasury Department advocating the purchase of Liberty Loan Bonds, and postmasters are hereby directed to put up in conspicuous places in the lobbies of all post office buildings and all post office quarters where they will be seen by the public every poster and circular sent them by the Treasury Department advocating the purchase of Liberty Loan Bonds.

A. S. BURLESON,
Postmaster General.

Postmaster Patten of New York is quoted as saying:

We are proud of the record the postal employees made in the last campaign in the matter of subscribing to the Liberty Loan. The ten thousand or so people in the Department in Manhattan and the Bronx purchased nearly \$700,000 worth of the bonds. I hope and I confidently expect them to equal that record in this campaign.

So much for the buying of the bonds. Now as to the selling campaign. You must know we are doing what we can to interest the people in the loan and to instruct them where necessary. Under orders from the Postmaster General, the Post Office Department in New York has become a great Bureau of Information to disseminate knowledge pertaining to the loan. I have instructed the superintendent of every sub-station to be prepared to see and talk Liberty Bonds to any citizen who comes to him desirous of information. Thus, anybody that wants to know about the loan, its terms, its benefits and the vital necessity for all Americans subscribing to the limit of their resources can simply step into the post office station in his neighborhood and learn everything he wants.

GATES W. McGARRAH URGES LOAN SUBSCRIPTIONS.

Speaking of the second Liberty Loan Gates W. McGarrah, President of the Mechanics & Metals National Bank, President of the New York Clearing House, and member of the Liberty Loan Committee, said:

If the American people were brought to realize the difficulties of the military situation; if they were brought to realize the inability of the Allies to win the war without our support; if they were brought to realize the great difficulty that confronts the Allies, even now, they would respond so readily to the Liberty Loan that this issue would be doubly over-subscribed.

GERMAN SUBMARINE TO AID LOAN.

The Liberty Loan Committee of the New York Federal Reserve District announces that a captured U-boat lent to the committee to stimulate the present campaign arrived in port this week. This submarine is the U. C. 5, which was captured by the British in the North Sea while engaged in the pernicious business of laying floating mines. The boat is of a type never before seen in the United States. It is 110 feet long by 10 feet wide and has been shipped in three parts, weighing 35 tons, 37 tons and 42 tons. The Mayor has co-operated personally in the plan to feature this submarine. Under the direction of the City Engineer and the Commissioner of Parks it will be set up in Central Park immediately and put on exhibition.

THIRTY SAFE DEPOSIT COMPANIES WILL STORE LIBERTY BONDS FREE.

Thirty of the safe deposit companies and banks in New York City have agreed to help in the Second Liberty Loan campaign by caring for bonds of small denomination without charge. Some of the companies made the offer of free storage for two years and for bonds up to \$500, but the majority adhered to the plan proposed by the Committee on Trust and Safe Deposit Companies and will take bonds of \$50 and \$100 for one year. The following companies and banks, according to Frederick Hawkins, Secretary of the committee, replied favorably up to the 11th inst.:

Astor, Bankers', Broadway, Central Park, Empire City, Equitable, Fidelity, Garfield, Guaranty, Hudson, Knickerbocker, Lincoln, Madison, Manhattan, Mercantile, Metropolitan, Metropolis, New Maiden Lane, New York Produce Exchange, Safe Deposit Co. of New York, Standard, Thirty-Fourth Street, United States, and Woolworth Building Safe Deposit Companies, as well as the Chatham and Phenix, Coal and Iron, Harriman, Market and Fulton, National Banks, the Park National Bank, and the Pacific Bank.

REVENUE TAX ON UNDISTRIBUTED EARNINGS NOT APPLICABLE TO SECOND LIBERTY LOAN.

Attention is called to the fact that the special tax of 10% imposed on undistributed earnings under the War Revenue Act does not apply to the Second Liberty Loan Bond Issue, in the following letter sent out by James F. Curtis, Secretary and General Counsel of the New York Federal Reserve Bank:

FEDERAL RESERVE BANK OF NEW YORK.

October 16 1917.

Dear Sir—May I take the liberty of calling to your attention a new provision in the Corporation Tax Law as amended by the War Revenue Act of Oct. 3 1917.

Section 1206 of this law provides that a special tax of 10% shall be levied on the amount of earnings of every corporation, joint stock company or association or insurance company remaining undistributed six months after the end of each calendar or fiscal year. But there is a further provision that this tax "shall not apply to that portion of undistributed net income which is actually invested or employed in the business or retained for the reasonable requirements of the business, or is invested in obligations of the United States issued after Sept. 1 1917."

The questions involved with respect to the employment or retention of funds for use in the business are subject to review, and if the Secretary of the Treasury finds that any portion of the amount retained for employment in the business is not so employed or is not reasonably required in the business, a tax of 15% is to be collected thereon. (In other words, this amounts to a penalty of 50% of the amount of tax otherwise payable.)

The amount of the undistributed earnings invested in the Liberty Loan 4% bonds, however, is not subject to review. Consequently, all undistributed surplus of your company accumulated during the 1917 year, which may be invested in the Liberty Loan 4% bonds, will be absolutely exempted from this special tax of 10%. It should be noted that the law limits this exemption to issues put out after Sept. 1 1917. In other words, the exemption would not apply to investments made in the First Liberty Loan.

I need hardly call your attention to the great advantages which the purchase of bonds of the Second Liberty Loan would have over the purchase of any other investment out of funds which a corporation has remaining undistributed from the results of this year's operation.

Yours very truly,

J. F. CURTIS, Secretary.

METHOD OF APPLYING WAR REVENUE TAX TO PASSENGER AND FREIGHT TRANSPORTATION.

The following information as to the method of applying the new war tax to the sale of passenger and freight transportation has been supplied by the general offices of the Southern Pacific at San Francisco, where officials have been diligently studying the bill since it was introduced in Congress:

Of primary importance to the more populated centres is the announcement that suburban commuters will escape taxation under the provision which exempts commutation trips for distances of forty miles or less, and which limits taxable tickets to a valuation of over 35 cents.

The new law becomes effective Nov. 1 and imposes a war tax of 8% on passenger fares, except as noted, and 3% on all freight shipments.

This passenger tax is to be imposed upon tickets which are part of through trips to Canada or Mexico. To other foreign countries a stamp tax is placed on all tickets costing over \$10.

The Southern Pacific on its Pacific System carries about four million passengers a month. Auditor T. O. Edwards of the company estimates that of this number the amount exempted because of commuter or low-rate classification will be three million. This leaves a million a month, or twelve million passengers annually, subject to taxation on the Southern Pacific System alone. Baggage charges are not taxable.

The application of the tax to mileage or scrip sales is awaiting further information from Government officials.

Ticket agents will collect the war tax at the time of the sales of transportation. The tax on cash fares will be collected by conductors, who will also be responsible for collecting the tax on tickets sold prior to Nov. 1 and not used until that day or later, provided agents have not already collected the tax and made a notation to that effect on the ticket.

The rate of 10% will apply on the purchase of seats in observation cars, berths or staterooms on its river steamers. Sleeping car tickets also come in for 10%, the method of collection to be announced by the Pullman Company.

Three Per Cent Tax on Freight Charges.

The 3% tax on freight charges offers no exemption either as to amount or distance, except on shipments for the U. S. Government, or the States, and on export and import business and strictly company business, such as the transport of materials for the use of the carrier itself or its subsidiaries over its own lines. A special clause excluded also amusement business, such as theatrical and circus trains, which come under different provisions of the bill.

Considerable discussion is being had due to lack of rulings as to whether the tax on freight will include refrigeration, switching, reconsignment and similar charges for special services.

While the Government holds the carriers responsible for the collection of this tax, the bill provides that the person purchasing the service shall pay the tax.

This will throw a vast amount of special accounting work upon the railroads. The Southern Pacific, for instance, will have to maintain a special force of clerks to handle the vast detail involved and to make monthly returns to the Government. When it is considered that the Southern Pacific, on the Pacific System alone, handles twelve million taxable passengers transactions and from twelve to fifteen million freight transactions a year, the size of the special accounting can be appreciated. The Southern Pacific plans that on prepaid freight the shipper will be furnished a receipt for his war tax on the bill of lading. On freight sent collect, the tax will be put on the consignee's freight bill. On the basis of the fiscal year ending June 30 this year, the Southern Pacific would collect on freight taxes alone for the Government from \$2,000,000 to \$2,500,000. On freight traffic for that period the gross freight revenue amounted to \$81,576,000, and approximately \$1,500,000 on passenger traffic—an enormous total of \$4,000,000 a year.

THREE-CENT POSTAGE RATE ON LETTERS TO GREAT BRITAIN, MEXICO, PANAMA, &c.

It was announced at Washington on Oct. 17 that Great Britain had agreed to a modification of the postal treaty which fixed a two-cent letter rate from the United States, so as to increase it to three cents for practically all foreign letters now taking the two-cent stamp. This, it is pointed out, will bring a large quantity of foreign mail into a class where the United States may collect the additional one-cent letter tax imposed by the War Revenue Tax Law, beginning Nov. 2. The three-cent rate will apply to the Bahamas, Canada, Cuba, Barbadoes, British Guiana, British Honduras, Dominican Republic, Dutch West Indies, England, Ireland, Wales, Scotland, Leeward Islands, Mexico, Newfoundland, New Zealand and Panama.

FEDERAL WAR RISK BUREAU'S RATE FOR INSURANCE OF SEAMEN LOWERED.

Announcement was made by the Treasury Department on Oct. 12 that owing to the "decrease of the risk" the rate of the War Risk Insurance Bureau on the insurance of officers and crews on vessels traversing the war zone, had been reduced one-third; from three-fourths of 1%, 75 cents per \$100, to one-half of 1%, 50 cents per \$100. The reduction applies to crews of all American vessels sailing between American ports and European ports and from African ports on the Mediterranean, and follows closely upon the reduction in the War Risk Insurance Bureau's rate on American vessels and cargoes traversing the war zone, referred to in these columns last week. The Treasury Department on the 12th inst. also announced that after Nov. 1 all officers and members of crews of American vessels trading to the Azores, the Canary Islands, and the ports of Morocco on the Atlantic Ocean, must be insured by their owners against loss of life or personal injury. A statement issued by the Treasury Department on Oct. 12 read as follows:

Secretary McAdoo has reduced the rate for seamen's insurance on masters, officers, and crews of vessels trading to and from European ports and from African ports on the Mediterranean from three-fourths of 1%, 75 cents per \$100, to one-half of 1%, 50 cents per \$100, of insurance. The new rate is effective immediately.

This reduction follows a reduction announced by the Bureau of War Risk Insurance last Saturday of rates on all American steamers and cargoes traversing the war zone from 6½% to 5%, and is made for the same reason—the decrease of the risk incurred by the insured.

Announcement also is made of a ruling now making mandatory seamen's insurance on all vessels trading to the Azores, the Canary Islands, and the ports of Morocco on the Atlantic Ocean. Heretofore this insurance was mandatory only on American vessels trading to and from European and African ports on the Mediterranean Sea.

On account of its being impracticable to have the necessary forms ready and in the hands of those interested, this insurance will not become mandatory until Nov. 1 for all vessels sailing from the United States and Nov. 15 for all vessels sailing from the foreign ports involved.

PRESIDENTIAL ORDER GOVERNING TRADING WITH THE ENEMY AND ESPIONAGE—EXPORTS ADMINISTRATIVE BOARD REVOKED.

President Wilson on Oct. 14 promulgated an executive order, signed by him Oct. 12, which puts into operation the drastic and far-reaching provisions of the Trading with the Enemy Act, the full text of which was given in these columns last week. Virtually all of the important Governmental agencies at Washington are called upon in the President's order to enforce some of the provisions of the Act, and to impose the severe criminal penalties provided for their violation. The President, however, has delegated the enforcement of many of the Act's provisions to a newly created War Trade Board, which will displace the present Exports Administrative Board that has up to the present time concerned itself with the regulation of exports. Vance C. McCormick, Chairman of the Exports Administrative Board, will remain as Chairman of the War Trade Board.

All the other members of the Exports Board will remain as members of the new War Trades Board, and a representative of the Treasury Department will be added. The personnel of the new board follows: Vance C. McCormick, Chairman, as representative of the Secretary of State; a representative of the Treasury Department, yet to be appointed; Dr. Alonzo E. Taylor, as representative of the Secretary of Agriculture; Thomas D. Jones, representing the Secretary of Commerce; Beaver White, representing the Food Administrator, and Frank C. Munson, representing the United States Shipping Board. Thomas L. Chadbourne has been appointed as Counsellor of the Board. A War Trade Council has been organized to act in an advisory capacity to the Board. It includes the present members of the Exports Council, and Chairman Edward N. Hurley of the Shipping Board. The new War Trades Board will have complete charge of the supervision of exports and imports and will consider applications for licenses to trade with enemy firms. It will take over all of the machinery of the Exports Administrative Board, and its branch offices in many cities, including New York. The new law makes it unlawful, under severe criminal penalties, for anyone in the United States to trade without a license with any person whom there is probable cause to believe is an enemy or ally of enemy. The law also provides that any person who is an "enemy" or "ally of enemy" doing business in the United States must apply for a license to continue in business. Application for such licenses must be made to the Board. The President has vested in the Secretary of the Treasury authority to grant licenses to German or ally of Germany insurance or reinsurance companies who maintain branches in this country and wish to continue in business—provided application is made within 30 days from Oct. 6. Censorship of mails, cables, radio and telegraph messages passing out of the United States has been placed by the President in the hands of a new Censorship Board, consisting of representatives of the War, Navy and Post Office Departments, the War Trade Board, and the Chairman of the Committee on Public Information.

One of the most important features of the Trading with the Enemy measure, is that empowering the Government, through an Alien Property Custodian, to take over and control enemy property in the United States. The property may belong to any individual or corporation within the definition of an "enemy" or "ally of an enemy" as defined in the new law, except property belonging to those who receive licenses from the War Trade Board. The Alien Property Custodian, under the President's order, may compel the payment to him of all such amounts as may belong to such persons in the United States. The money will be held by him until the end of the war; but he is authorized in the meantime to invest such sums as he receives in United States Government bonds. President Wilson has not yet selected an Alien Property Custodian, although he is expected to do so within a few days.

Since the entrance of the United States into the war, Secretary of the Treasury McAdoo, through the Federal Reserve Board has had charge of the regulations concerning the export of coin, bullion and currency. President Wilson under authority of the Trading with the Enemy law, has now vested in the Secretary of the Treasury "the executive administration of any investigation, regulation or prohibition of any transaction in foreign exchange, export, or earmarking of gold or silver coin, or bullion or currency, transfers of credits in any form (other than credits relating solely to transaction to be executed wholly within the United States) and transfers of evidences of indebtedness or of ownership of property between the United States and any foreign country or between the residents of one or more foreign countries by any persons within the United States."

The Postmaster General, under the President's order, will have charge of all restrictions against disloyal and seditious foreign language newspapers, magazines and other publications. Under the President's order, it will be necessary for the publishers of these publications (unless a permit to omit doing so is granted) to file with the Postmaster in the city where they are published a complete translation of every news item, editorial or other matter which it is proposed to print relating to the Government of the United States or of any nation engaged in the war. The Postmaster is empowered to bar from the mails, and to prevent the circulation of the publications in any other way, if the articles which appear are detrimental to the conduct of the war, whether reflecting on the United States or any of its allies.

The Federal Trade Commission has been empowered by the President to receive applications for patents by American citizens for protection in enemy or ally of enemy countries during the war, and for the use in the United States by citizens of the United States of enemy-held patents during the war. Authority is also given for the suspension of information regarding certain patent applications made in the United States, secrecy as to which is necessary for military reasons. The Attorney-General has been empowered to direct the payment of claims against enemy property in the hands of the Alien Property Custodian, and Collectors of Customs in the different ports are empowered to refuse clearance to vessels which are transporting cargo in violation of the provisions of the Trading with the Enemy Act. This is intended to serve as a further check on shipments which might find their way to enemy or ally of enemy countries.

An important provision of the Trading With the Enemy Act is its definition of "an enemy" or "an ally of an enemy." It is pointed out that any person, no matter of what nationality, who resides within the territory of the German Empire or the territory of any of its allies or that occupied by their military forces is expressly made an "enemy" or "ally of enemy" by the Act. Even citizens of the United States who have elected to remain within such territory, it is declared, are "enemies" or "allies of an enemy" within the provisions of the Act. Further, any person not residing in the United States, of whatever nationality and wherever he resides, who is doing business within such territory, is placed within the definition of "enemy" or "ally of enemy." So also is any corporation created by Germany or its allies. So also, it is stated, is any corporation created by any other nation than the United States and doing business within such territory. Further, for the purpose of the Act, the Government of any nation with which the United States is at war or the ally of such nation and every subdivision of such Government and every officer, official agent, or agency of such Government is an "enemy" or "ally of enemy," and the Act makes no restriction as to where such officer, official, agent, or agency may be located. Emphasis is laid on the fact that not only is it unlawful to trade with an "enemy" or "ally of enemy" without license, but it is equally unlawful to trade with any person, who, there is reasonable cause to believe, is acting for or on account of or for the benefit of an "enemy" or "ally of enemy," and it makes no difference what the nationality or what the residence of such person may be.

On the other hand, in dealing with subjects of Germany who are resident in the United States, the mere fact of their nationality does not, we are told, make them "enemies" within the meaning of this Act, and so prevent persons in this country from having ordinary commercial relations with them.

It is not necessary for a German subject or the subject of an ally of Germany who is resident in this country to apply for a license unless for some other reason he falls within the definition of "enemy" or "ally of enemy." It is also pointed out that if a license is granted to an "enemy" or "ally of enemy" to do business within the United States it is then lawful for any one within the United States to trade within the United States with such "enemy" or "ally of enemy" without himself applying for a license.

It is also worth noting that the Trading with the Enemy Act makes it the duty of every concern within the United States issuing shares or stock, within sixty days after the approval of the Act to report to the Alien Property Custodian the names of such of its officers, Directors, and stockholders as are known to be or reasonably believed to be "enemies" or "allies of enemy" and the amount of stock or shares owned by each.

The following is the text of the Executive order issued by the President on the 12th inst. and given out Oct. 14.

Executive order vesting power and authority in designated officers and making rules and regulations under Trading with the Enemy Act and Title VII. of the Act approved June 15 1917:

By virtue of the authority vested in me by "an Act to define, regulate, and punish trading with the enemy and for other purposes," approved Oct. 6 1917, and by Title VII. of the Act, approved June 15 1917, entitled "an Act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States and for other purposes," (hereinafter designated as the Espionage Act,) I hereby make the following orders and rules and regulations:

War Trade Board.

1. I hereby establish a War Trade Board, to be composed of representatives, respectively, of the Secretary of State, of the Secretary of the Treasury, of the Secretary of Agriculture, of the Secretary of Commerce, of the Food Administrator, and of the United States Shipping Board.

2. I hereby vest in said board the power and authority to issue licenses under such terms and conditions as are not inconsistent with law, or to withhold or refuse licenses, for the exportation of all articles, except coin, bullion, or currency the exportation or taking of which out of the United States may be restricted by proclamations heretofore or hereafter issued by me under said Title VII. of the espionage Act.

3. I further hereby vest in said War Trade Board the power and authority to issue, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse, licenses for the importation of all articles the importation of which may be restricted by any proclamation hereafter issued by me under Section 11 of the Trading with the Enemy Act.

4. I further hereby vest in said War Trade Board the power and authority not vested in other officers by subsequent provisions of this order to issue, under such terms and conditions as are not inconsistent with law, or to withhold or refuse, licenses to trade, either directly or indirectly, with, to, or from, or for, or on account of, on or behalf of, or for the benefit of, any other person, with knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or is conducting or taking part in such trade directly or indirectly for, or on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy.

5. I further hereby vest in said War Trade Board the power and authority, under such terms and conditions as are not inconsistent with law, to issue to every enemy or ally of enemy, other than enemy or ally of enemy insurance or reinsurance companies, doing business within the United States through an agency or branch office, or otherwise, applying therefor within thirty days of Oct. 6 1917, licenses temporary or otherwise to continue to do business, or said board may withhold or refuse the same.

6. And I further hereby vest in said War Trade Board the executive administration of the provisions of Section 4 (b) of the Trading With the Enemy Act relative to granting licenses to enemies and enemy allies to assume or use other names than those by which they were known at the beginning of the war. And I hereby authorize said board to issue licenses not inconsistent with the provisions of law or to withhold or to refuse licenses to any enemy, or ally of enemy, or partnership of which an enemy or ally of enemy is a member or was a member at the beginning of the war, to assume or use any name other than that by which such enemy or ally of enemy or partnership was ordinarily known at the beginning of the war.

7. I hereby revoke the executive order of Aug. 21 1917, creating the Exports Administrative Board, all proclamations, rules, regulations, and instructions made or given by me under Title VII. of the Espionage Act and now being administered by the Exports Administrative Board are hereby continued, confirmed, and made applicable to the War Trade Board, and all employees of the Exports Administrative Board are hereby transferred to and constituted employees of the War Trade Board in the same capacities, and said War Trade Board is hereby authorized to exercise, without interruption, the powers heretofore exercised by said Exports Administrative Board.

8. The said War Trade Board is hereby authorized and empowered to take all such measures as may be necessary or expedient to administer the powers hereby conferred. And I hereby vest in the War Trade Board the power conferred upon the President by Section 5 (a) to make such rules and regulations not inconsistent with law, as may be necessary and proper for the exercise of the powers conferred upon said board.

War Trade Council.

9. I hereby establish a War Trade Council to be composed of the Secretary of State, Secretary of the Treasury, Secretary of Agriculture, Secretary of Commerce, the Food Administrator and the Chairman of the Shipping Board, and I hereby authorize and direct the said War Trade Council thus constituted to act in an advisory capacity in such matters under said acts as may be referred to them by the President or the War Trade Board.

Secretary of the Treasury.

10. I hereby vest in the Secretary of the Treasury the executive administration of any investigation, regulation, or prohibition of any transaction in foreign exchange, export, or earmarking of gold or silver coin, or bullion, or currency, transfers of credit in any form (other than credits relating solely to transactions to be executed wholly within the United States) and transfers of evidences of indebtedness or of the ownership of property between the United States and any foreign country or between residents of one or more foreign countries by any person within the United States, and I hereby vest in the Secretary of the Treasury the authority and power to require any person engaged in any such transaction to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed.

11. I further hereby vest in the Secretary of the Treasury the executive administration of the provisions of Subsection (c) of Section 3 of the Trading With the Enemy Act relative to sending, or taking out of, or bringing into, or attempting to send, take out of, or bring into, the United States, any letter, writing, or tangible form of communication, except in the regular course of the mail; and of the sending, taking, or transmitting, or attempting to send, take, or transmit, out of the United States, any letter, or other writing, book, map, plan, or other paper, picture, or any telegram, cablegram, or wireless message, or other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy. And said Secretary of the Treasury is hereby authorized and empowered to issue licenses to send, take, or transmit out of the United States anything otherwise forbidden by said Sub-section (c) and give such consent or grant such exemption in respect thereto, as is not inconsistent with law, or to withhold or refuse the same.

12. I further authorize the Secretary of the Treasury to grant a license under such terms and conditions as are not inconsistent with law, or to withhold or refuse the same to any "enemy" or "ally of enemy" insurance or reinsurance company doing business within the United States through an agency or branch office or otherwise, which shall make application within thirty days of Oct. 6 1917.

13. I hereby authorize and direct the Secretary of the Treasury, for the purpose of such executive administration, to take such measures, adopt such administrative procedure, and use such agency or agencies as he may from time to time deem necessary and proper for that purpose. The proclamation of the President, dated Sept. 7 1917, made under authority vested in him by Title 7 of said Act of Congress, approved June 15 1917, shall remain in full force and effect. The executive order, dated Sept. 7 1917, made under the authority of said title, shall remain in full force and effect until new regulations shall have been established by the President or by the Secretary of the Treasury with the approval of the President, and thereupon shall be superseded.

Censorship Board.

14. I hereby establish a Censorship Board, to be composed of representatives, respectively, of the Secretary of War, the Secretary of the Navy, the Postmaster General, the War Trade Board, and the Chairman of the Committee on Public Information.

15. And I hereby vest in said Censorship Board the executive administration of the rules, regulations, and proclamations from time to time established by the President under Subsection (d) of Section 3 of the Trading With the Enemy Act, for the censorship of communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country from time to time specified by the President, or carried by any vessel, or other means of transportation touching at any port, place or territory of the United States and bound to or from any foreign country.

16. The said Censorship Board is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

Federal Trade Commission.

17. I further hereby vest in the Federal Trade Commission the power and authority to issue licenses under such terms and conditions as are not inconsistent with law or to withhold or refuse the same to any citizen of the United States or any corporation organized within the United States to file and prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trademark, print, label, or copyright, and to pay the fees required by laws and the customary agents' fees, the maximum amount of which in each case shall be subject to the control of such commission; or to pay to any enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents, trademarks, prints, labels, and copyrights.

18. I hereby vest in the Federal Trade Commission the power and authority to issue, pursuant to the provisions of Section 10 (c) of the Trading With the Enemy Act, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse, a license to any citizen of the United States or any corporation organized within the United States, to manufacture or cause to be manufactured a machine, manufacture, composition of matter, or design, or to carry on or cause to be carried on a process under any patent, or to use any trademark, print, label, or copyrighted matter owned or controlled by an enemy or ally of enemy, at any time during the present war; and also to fix the prices of articles and products manufactured under such licenses, necessary to the health of the military and the naval forces of the United States, or the successful prosecution of the war; and to prescribe the fee which may be charged for such license, not exceeding \$100, and not exceeding 1% of the fund deposited by the licensee with the Alien Property Custodian as provided by law.

19. I hereby further vest in the said Federal Trade Commission the executive administration of the provisions of Section 10 (d) of the Trading With the Enemy Act, the power and authority to prescribe the form of and time and manner of filing statements of the extent of the use and enjoyment of the license and of the prices received and the times at which the licensee shall make payments to the Alien Property Custodian, and the amounts of said payments, in accordance with the Trading With the Enemy Act.

20. I further hereby vest in the Federal Trade Commission the power and authority, whenever in its opinion the publication of an invention or the granting of a patent may be detrimental to the public safety or defense, or may assist the enemy, or endanger the successful prosecution of the war, to order that the invention be kept secret and the grant of letters patent withheld until the end of the war.

21. The said Federal Trade Commission is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

The Postmaster General.

22. I hereby vest in the Postmaster General the executive administration of all the provisions (except the penal provisions) of Section 19 of the Trading With the Enemy Act, relating to the printing, publishing or circulation in any foreign language of any news item, editorial, or other printed matter respecting the Government of the United States or of any nation engaged in the present war, its policies, international relations, the state or conduct of the war or any matter relating thereto, and the filing with the Postmaster at the place of publication, in the form of an affidavit of a true and complete translation of the entire article containing such matter proposed to be published in such print, newspaper or publication, and the issuance of permits for the printing, publication and distribution thereof free from said restriction. And the Postmaster General is authorized and empowered to issue such permits upon such terms and conditions as are not inconsistent with law and to refuse, withhold or revoke the same.

23. The sum of \$35,000, or so much thereof as may be necessary, is hereby allotted out of the funds appropriated by the Trading With the Enemy Act, to be expended by the Postmaster General in the administration of said Section 19 thereof.

24. The Postmaster General is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

Secretary of State.

25. I hereby vest in the Secretary of State the executive administration of the provisions of Subsection (b) of Section 3 of the Trading With the Enemy Act, relative to any person transporting or attempting to transport any subject or citizen of an enemy or ally of an enemy nation, and relative to transporting or attempting to transport by any owner, master or other person in charge of a vessel of American registry, from any place to any other place, such subject or citizen of an enemy or enemy ally.

26. And I hereby authorize and empower the Secretary of State to issue licenses for such transportation of enemies and enemy allies, or to withhold or refuse the same.

27. And said Secretary of State is hereby authorized and empowered to take all such measures as may be necessary or expedient to administer the powers hereby conferred and to grant, refuse, withhold or revoke licenses thereunder.

Secretary of Commerce.

28. I hereby vest in the Secretary of Commerce the power to review the refusal of any Collector of Customs, under the provisions of Sections 13 and 14 of the Trading With the Enemy Act, to clear any vessel, domestic or foreign, for which clearance is required by law.

Alien Property Custodian.

29. I hereby vest in an Alien Property Custodian, to be hereafter appointed, the executive administration of all the provisions of Section 7 (a) Section 7 (c), and Section 7 (d) of the Trading With the Enemy Act, including all power and authority to require lists and reports, and to extend the time for filing the same, conferred upon the President by the provisions of said Section 7 (a), and including the power and authority conferred upon the President by the provisions of said Section 7 (c), to require the conveyance, transfer, assignment, delivery, or payment to himself, at such time and in such manner as he shall prescribe, of any money or other properties owing to or belonging to or held for, by or on account of, or on behalf of, or for the benefit of any enemy or ally of an enemy not holding a license granted under the provisions of the Trading With the Enemy Act, which after investigation said Alien Property Custodian shall determine is so owing, or so belongs, or is so held.

30. Any person who desires to make conveyance, transfer, payment, assignment or delivery, under the provisions of Section 7 (d) of the Trading With the Enemy Act, to the Alien Property Custodian of any money or other property owing to or held for, by or on account of, or on behalf of, or for the benefit of an enemy or ally of enemy, not holding a license granted as provided in the Trading With the Enemy Act, or to whom any obligation or form of liability to such enemy or ally of enemy is presented for payment, shall file application with the Alien Property Custodian for consent and permit to so convey, transfer, assign, deliver or pay such money or other property to him, and said Alien Property Custodian is hereby authorized to exercise the power and authority conferred upon the President by the provisions of said Section 7 (d) to consent and to issue permit upon such terms and conditions as are inconsistent with law, or to withhold or refuse the same.

31. I further vest in the Alien Property Custodian the executive administration of all the provisions of Section 8 (a), Section 8 (b), and Section 9 of the Trading With the Enemy Act, so far as said sections relate to the powers and duties of said Alien Property Custodian.

32. I vest in the Attorney General all power and authority conferred upon the President by the provisions of Section 9 of the Trading With the Enemy Act.

33. The Alien Property Custodian, to be hereafter appointed, is hereby authorized to take all such measures as may be necessary or expedient, and not inconsistent with law, to administer the powers hereby conferred, and he shall further have the power and authority to make such rules and regulations not inconsistent with law as may be necessary and proper to carry out the provisions of said Section 7 (a), Section 7 (c), Section 7 (d), Section 8 (a), and Section 8 (b), conferred upon the President by the provisions thereof and by the provisions of Section 5 (a), said rules and regulations to be duly approved by the Attorney General.

34. The Alien Property Custodian, to be hereafter appointed, shall, "under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe," have administration of all moneys (including checks and drafts payable on demand), and of all property, other than money, which shall come into his possession in pursuance of the provisions of the Trading With the Enemy Act, in accordance with the provisions of Section 6, Section 10, and Section 12 thereof.

WOODROW WILSON.

The Whitehouse, Oct. 12 1917.

The following statement explaining the scope of the Trading With the Enemy Act and the President's Executive order, and outlining the administrative machinery under which they will be carried into effect, was issued at Washington on Oct. 14:

The President on Oct. 6 1917 approved the Trading With the Enemy Act, and by an executive order signed Oct. 12 1917, has established the administrative machinery to carry out its provisions.

This act has conferred on the President war powers of the widest extent. It has added to the power to embargo all exports, which was conferred upon the President by the Espionage Act, the power to prohibit all imports into the United States except under such licenses as may be granted.

It has conferred on the President the power to prohibit or regulate all transfers of credits, money, currency, bullion, and securities between the United States and all foreign countries.

It imposes severe criminal penalties on all persons who trade or communicate directly or indirectly with an "enemy" or "ally of enemy," or with any person acting on their behalf or for their benefit.

"Enemy" and "Ally of Enemy."

It creates a definition of an "enemy" and "ally of enemy," with which it is highly important that every citizen of the United States should promptly familiarize himself for his own protection and for the loyal support of the Government in its efforts to wage the war to a successful termination. The Act further provides for the use in the United States of enemy-held patents which may be of assistance to us in carrying on the war.

It provides for taking over and administering the property in the United States of "enemies" and "allies of enemies." It confers upon the President complete power to censor all communications of every sort passing between this country and any foreign country.

It provides certain regulations with regard to the foreign-language press in the United States.

These are merely the broad outlines of the Act, but it will readily be seen that the Act confers power to deal effectively with the abnormal conditions of trade created by the war and the exigencies of the public safety.

The New War Trade Board.

Certain of the powers conferred by the Act the President has directed to be exercised through the State Department, the Treasury Department, the Attorney General, the Post Office Department, the Commerce Department, and the Federal Trade Commission. As to many of the powers conferred upon the President by Congress in this Act, no single existing department is interested, and the President has provided for their joint administration by a War Trade Board composed of representatives of the departments which are most vitally concerned. The new War Trade Board so established is composed of Mr. Vance O. McCormick, Chairman, as representative of the Secretary of State; a representative of the Secretary of the Treasury, to be appointed; Dr. Alonzo E. Taylor, as representative of the Secretary of Agriculture; Mr. Thomas D. Jones, as representative of the Secretary of Commerce; Mr. Beaver White, as representative of the Food Administrator; Mr. Frank C. Munson, as representative of the United States Shipping Board. Mr. Thomas L. Chadbourne, Jr., is counsellor to the board. The functions and organization of this board are as follows:

Exports.

The War Trade Board, under the President's direction, succeeds to all the functions which have been exercised by the Exports Administrative Board, which goes out of existence. The proclamations of the President forbidding the export of various articles without a license are continued in full force and effect, but licenses will hereafter be granted by the War Trade Board, instead of by the Exports Administrative Board, and all applications for such licenses and all correspondence with regard to them should be addressed to the Bureau of Exports of the War Trade Board. Its headquarters will for the present continue to be 1435 K Street, N. W., Washington, D. C. It will take over the branch offices at present established and being established in various cities in the country by the Exports Administrative Board, and these branch offices will have the same power and functions as to exports under the War Trade Board that they now have under the Exports Administrative Board. The War Trade Board will deal with exports under the powers created by Title VII. of the Espionage Act, approved June 17 1917.

Imports.

The Trading With the Enemy Act confers upon the President the power to prohibit the importation of any article or to impose the terms and conditions upon which it may be imported. No proclamation has yet been issued by the President imposing any such prohibition or restriction, but upon the issuance of such proclamation the licensing of such importations will be done by the War Trade Board.

Trading With the Enemy.

The Trading With the the Enemy Act makes it unlawful under severe criminal penalties, to trade without a license with any person who there is probable cause to believe is an enemy or ally of enemy. The Act gives an extremely broad definition of what constitutes trade. It provides that "trade" shall be deemed to mean:

- (a) To pay, satisfy, compromise, or give security for the payment or satisfaction of any debt or obligation.
- (b) To draw, accept, pay, present for acceptance or payment, or indorse any negotiable instrument or chose in action.
- (c) To enter into, carry on, complete, or perform any contract, agreement, or obligation.
- (d) To buy or sell, loan or extend credit, trade in, deal with, exchange, transmit, transfer, assign, or otherwise dispose of or receive any form of property.
- (e) To have any form of business or commercial communication or intercourse with.

The definition of an "enemy" or "ally of enemy" requires careful consideration. In the first place, any person, no matter of what nationality, who resides within the territory of the German Empire or the territory of any of its allies or that occupied by their military forces is expressly made an "enemy" or "ally of enemy" by the Act. Even citizens of the United States who have elected to remain within such territory are "enemies" or "allies of an enemy" within the provisions of the Act. Further, any person not residing in the United States, of whatever nationality and wherever he resides, who is doing business within such territory, is placed within the definition of "enemy" or "ally of enemy." So also is any corporation created by Germany or its allies. So also is any corporation created by any other nation than the United States and doing business within such territory. Further, for the purposes of this Act, the Government of any nation with which the United States is at war or the ally of such nation and every subdivision of such Government and every officer, official agent, or agency of such Government is an "enemy" or "ally of enemy," and the Act makes no restriction as to where such officer, official, agent, or agency may be located.

It is important for the public to have clearly in mind that not only is it unlawful to trade with an "enemy" or "ally of enemy" without license, but it is equally unlawful to trade with any person, who, there is reasonable cause to believe, is acting for or on account of or for the benefit of an "enemy" or "ally of enemy," and it makes no difference what the nationality or what the residence of such persons may be. On the other hand, in dealing with subjects of Germany who are resident in the United States, it is important to remember that, while other provisions of law make it possible to intern them, the mere fact of their nationality does not make them "enemies" within the meaning of this act, and so prevent persons in this country from having ordinary commercial relations with them.

The Trading With the Enemy Act, however, while imposing such stringent provisions, gives power to the President to grant licenses to trade with the enemy. The exercise of this power has been delegated by the President to the War Trade Board. Applications for license to trade with an "enemy" or "ally of enemy," or a person acting on behalf of or for the benefit of an "enemy" or "ally of enemy" should be sent to the War Trade Board.

Enemies Doing Business in the United States.

The Trading With the Enemy Act provides that a person who is an "enemy" or "ally of enemy," under the definition of that Act, doing business within the United States, may, within thirty days after its enactment, apply for a license to continue to do business in the United States. The main application of these provisions will be to German or ally of German concerns which are doing business in the United States through branch houses or agents, such as insurance or reinsurance companies. Such an "enemy" or "ally of enemy" may continue to do business within the United States until such applications are acted upon, but under the restrictions, in the case of insurance companies, of the President's proclamation of July 13 1917. It will not be necessary under these provisions, however, for a German subject or the subject of an ally of Germany who is resident in this country to apply for a license unless for some other reason he falls within the definition of "enemy" or "ally of enemy," as explained above.

Lawful Trading Within United States.

If a license is granted to an "enemy" or "ally of enemy" to do business within the United States it is then lawful for any one within the United States to trade within the United States with such "enemy" or "ally of enemy" without himself applying for a license. Such "enemy" however, even if it is granted a license to do business within the United States, is prohibited from the time the Act takes effect from transmitting out of the United States any money or property, or using such money or property as a basis for the establishment of any credit within or outside of the United States for the benefit or on behalf of an "enemy" or "ally of enemy." Applications for license by an "enemy," or "ally of enemy" in the United States to continue to do business in the United States should be sent to the War Trade Board, except in the case of "enemy" or "ally of enemy" insurance companies, in which case they should be sent to the Treasury Department.

Change of Name.

No "enemy" or "ally of enemy" doing business in the United States, or a partnership in which an "enemy" or "ally of enemy" was a member at the beginning of the war, can make a change of name during the war without a license. The War Trade Board is empowered by the President to receive and act on applications for such licenses.

Communicating With the Enemy.

The Trading With the Enemy Act prohibits and imposes severe penalties on taking or sending any communication in any form out of the United States intended for any "enemy" or "ally of enemy," and also makes it unlawful to bring in or take out of the United States any form of communication except by mail. Power is given by the Act, however, to relieve from these prohibitions by license, and the Secretary of the Treasury is empowered by the President to receive applications for and grant such licenses.

War Trade Council.

In addition to the War Trade Board, the President has created a War Trade Council, composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Food Administrator, and the Chairman of the United States Shipping Board. This War Trade Council will take the place of the Exports Coun-

cil and will act in an advisory capacity in such matters as may be referred to it by the President or the War Trade Board.

Patents.

The Act contains various provisions as to the application for patents by citizens of the United States in "enemy" and "ally of enemy" countries during the war, and for the use in the United States by citizens of the United States of enemy-held patents during the war, and also for the suspension of information as to certain patent applications made in the United States, secrecy as to which is necessary for military reasons. The Federal Trade Commission is empowered by the President to deal with all these matters, receiving applications and granting licenses with regard to them.

Custody of Enemy Property.

Among the most important and far reaching of the provisions of the Trading With the Enemy Act are those dealing with the taking over by this Government of the custody and control of "enemy" property within the United States.

The property affected by these provisions is that which is located in the United States and belongs to any person or corporation that is an "enemy" or "ally of enemy" within the definitions of the Act referred to above, except those licensed to continue doing business in the United States. German subjects and the subjects of her allies resident in the United States do not, from the mere fact of their nationality, fall within these definitions. The Act makes it the duty of every concern within the United States issuing shares or stock, within sixty days after the approval of the Act, to report to the Alien Property Custodian the names of such of its officers, Directors, and stockholders as are known to be or reasonably believed to be "enemies" or "allies of enemy" and the amount of stock or shares owned by each.

Reports to Alien Property Custodians

The Act provides, in addition, under severe penalties, that every person in the United States holding any property for an "enemy" or "ally of enemy," or for any person whom he may have reasonable cause to believe to be an "enemy" or "ally of enemy," must report the fact to the Alien Property Custodian within thirty days after the passage of the Act. So, also any person in the United States indebted in any way to an "enemy" or "ally of enemy," or to a person whom he may have reasonable cause to believe to be an "enemy" or "ally of enemy," must make a similar report.

The Alien Property Custodian may, under the provisions of the executive order, require a retransfer to himself of any property held for or on behalf of an "enemy" or "ally of enemy," or the payment of any money owed to an "enemy" or "ally of enemy" by a person in the United States. In addition, any person in the United States so holding any property or so owing any money may transfer such property or pay such money to the Alien Property Custodian with his consent.

Property or money transferred to the Alien Property Custodian will be held until the end of the war and then dealt with as Congress shall direct. All funds or ready money may be invested in Liberty bonds and held in such form.

The President has delegated to the Attorney General the power to direct the payment of claims against enemy property in the hands of the Custodian, upon the consent of all persons interested.

The President will hereafter name an Alien Property Custodian.

Foreign Exchange and Gold Transfers.

The President by his Executive order has committed to the Secretary of the Treasury the executive administration of the broad powers conferred by the Act as to the prohibition and regulation of a transfer between the United States and foreign countries of coin, currency, bullion, credits, and securities. The Secretary of the Treasury will continue, with the assistance of the Federal Reserve banks, to pass on applications for leave to export bullion, coin, and currency. No prohibitions or regulations have as yet been made as to the transfer of credits or securities between the United States and foreign countries.

Censorship Board.

The President has created a Censorship Board to administer such regulations as he may prescribe as to the censorship of cables, telegraph and mail communications between the United States and foreign countries. This board is composed of representatives respectively of the Postmaster General, of the Secretary of War, of the Secretary of the Navy, of the War Trade Board, and of the Chairman of the Committee on Public Information.

Foreign Language Press.

The Trading With the Enemy Act provides that every paper printed in a foreign language shall furnish translations to the Postmaster General of the matter concerning the war printed by it, unless a permit to omit doing so is granted to it. The administration of this provision is committed to the Postmaster General, and applications for such permits should be made to him.

Transporting An Enemy.

The Act provides that it shall be unlawful for any person without a license to transport or attempt to transport into or from the United States, or for any American vessel to transport in any part of the world any citizen of an enemy or ally of an enemy nation. The administration of this provision is vested in the State Department, and authority given the Secretary of State to grant the necessary licenses for such transportation.

Clearance Provisions.

Collectors of Customs are given the right to refuse clearance to vessels which are transporting cargo in violation of the provisions of the Trading With the Enemy Act. Power to review such refusal of clearance by the Collector is vested in the Secretary of Commerce by the executive order of the President.

ENGLAND CUTS OFF CABLES TO HOLLAND—LATTER SUSPENDS SHIPPING TO ENGLAND.

The British Government on Oct. 11 placed a ban on all commercial cable communications with Holland, until such time as the Netherlands Government places absolute restriction on the transit of sand, gravel and scarp metal from Germany to Belgium by way of Holland. Great Britain contended that this concrete raw material was being used by the Germans in great quantities in the construction of dugouts, to the detriment of the British soldiers. The Dutch Foreign Office in regard to the prohibition of the use of British cables by Holland on Oct. 12 issued the following official statement:

The Netherlands Government can satisfy the British desire to stop the transit of sand and gravel to Belgium only when the British Government can show, despite the declarations of the German authorities and the investigations of Dutch officers, that the materials are used for war purposes. The Dutch Minister at London has been instructed to ask the British Government to communicate any proofs it may possess in this respect.

Lord Robert Cecil, British Minister of Blockade, in explaining Great Britain's action against Holland, in an interview with the Associated Press on Oct. 12, said:

The Dutch in recent months have been allowing the Germans to transport across Dutch waterways from Germany to Belgium vast quantities of gravel and sand. The total was out of all proportion to that transported in peace time, and there is not the slightest doubt that the Germans are making direct use of this to our detriment. The Germans are using enormous quantities of concrete in pill-boxes, dugouts, and in many other ways.

The Dutch do not claim that the Germans should be permitted to transport material for this war concrete through Dutch territory, but they say the Germans have given them assurances that all this material is being employed for strictly civil purposes. I have no doubt that the Germans have given such assurances, and there may be some juggle by which they are able to submit paper proof. But we have this fact—enormous quantities of concrete are being used at the front, and enormous quantities of concrete material are going into the war zone through Holland.

We made repeated diplomatic complaints with no result, until we finally decided, inasmuch as the Dutch have no right to use our cables except as a matter of courtesy, that we should say to the Dutch we cannot see a way to permit you the further use of our cables until something is done about the transportation of concrete material. That's where the matter stands at the present.

Dispatches from Amsterdam on Oct. 14 quoted the "Moasbode" as saying that it had learned that all Dutch shipping to England has been stopped on account of the pending differences between Great Britain and Holland. Cornelius Van Aalst, President of the Netherlands Overseas Trust, in an interview printed in the "Handelsblad," described the restrictions placed by Great Britain on cable communication between Holland and other countries, including the Dutch colonies, as a very serious measure which could only have been devised by persons unacquainted with the situation and with feeling against Holland. He declared that Dutch commercial men would never yield to such a measure or try to influence the Government to yield.

Dispatches from Amsterdam on Oct. 16 quoted the "Zutphen Courant" as saying that Germany had informed Holland that she would cease the transportation of sand and gravel by way of Holland if Great Britain forces Holland to make such a demand to Germany.

FOOD ADMINISTRATOR HOOVER'S WARNING OF SUGAR SHORTAGE IN EASTERN STATES.

A warning against a temporary sugar shortage in the Eastern States which can only be met by an immediate reduction in the consumption of candy and sweet drinks was issued by Food Administrator H. A. Hoover on Oct. 16. The shortage, says the Administration, is due to the failure of the public outside of many loyal homes to reduce consumption, and the unusual exports to France in order that the French people may have their meagre ration of one pound of sugar per person per month. "Unless," Mr. Hoover says, "we can secure a wider and immediate reduction of the sugar consumption in candy, ice cream and sweet drinks it will be necessary next year to curtail the supplies to these industries, as has been done all over Europe." His notice follows:

There will be a temporary shortage in the supply of sugar to the area north of Savannah and east of Pittsburgh during the latter part of October and the month of November, pending the arrival in the market of new sugar. The beet-sugar factories in the Western States are rapidly coming into action, and, together with the Hawaiian production, will be able in a short time to take care of the sugar supply in the area west of the territory above referred to.

The price of beet sugar and Hawaiian sugar has been fixed by contract at 7.25 cents, Atlantic and Pacific seaboard basis, from the factories. Allowing for freight differentials and handling charges, the retail prices should not exceed 8 cents, San Francisco; 8½ cents, Denver; 8½ cents, Chicago; 8 1-16 cents, St. Louis; 8 cents, New Orleans, and 8 1-16 cents, Pittsburgh.

As the production of beet and Hawaiian sugar increases, the areas supplied from this source will gradually extend eastward, and beet sugar should reach the Atlantic seaboard by the end of November. The rapidity with which this sugar invasion from the West can take place will be largely controlled by the economies shown in the consumption of sugar by the people in the western area, and the Food Administration makes a special appeal to them that they should rigorously reduce the consumption of sugar, more especially of candy and sweet drinks, in order that the Northeastern States may be supplied at the earliest possible moment.

The shortage of sugar in the Northeastern States is due to two causes: First, the failure of the American public outside many loyal homes to adequately reduce their consumption of sugar on the constant and insistent appeals that have been made by the Food Administration since June; and secondly, to the unusual exports made to France in order that we might maintain to them their ration which has now been reduced to 1 pound per month per person. The consumption of sugar in the United States is, even now, over 7 pounds per month per person, and a saving of one-third of the candy and sweet-drink consumption would have saved the situation now confronting the Eastern States.

By virtue of the agreements made with the cane refiners and the assistance received from certain Cuban producers the price of cane sugar from the refiners has not been increased during the past two months despite the possibility of shortage and famine prices.

Practically all of the cane sugar in the hands of the refiners and the producers has now been distributed to the jobbers and retailers and has, as above said, been distributed at the prices maintaining during the last two months, or upon a basis that should reach the consumer in the neighborhood of 9 cents per pound. Therefore, if by virtue of the shortage in the Eastern States the price of sugar should increase, it is only proof that it has been increased at the hands of the handling trades—not at the hand of either the producer or the refiner. The Food Administration asks the public not to pay more for sugar during the present shortage than it has been paying during the last thirty days. When the supply of beet sugar reaches the Atlantic seaboard it should be available upon a less basis than the cane prices above mentioned.

Furthermore, the Food Administration requests that all jobbers in the West, as well as in the East, should distribute their sugar with care among the retailers in much reduced quantities, and that the retailers, in turn, should refuse to sell but a very limited quantity to any one customer. We also trust that jobbers will refuse to sell sugar to any retailer who advances the price.

A remedial contribution can be made if the American people will at once reduce their consumption of candy and sweet drinks. It seems unnecessary to repeat that the Allies are thrown upon the West Indian market for a large proportion of their sugar which they formerly obtained from other quarters, and that, although they have reduced the consumption of sugar to less than one-fifth of the average consumption in the United States, if they are to obtain even this meagre ration we must have a reduction in sugar consumption here. Many householders of the country have responded to the appeals for voluntary reduction, and, unless we can secure a wider and immediate reduction of the sugar consumption in candy, ice cream and sweet drinks, it will be necessary next year to curtail the supplies to these industries, as has been done all over Europe.

On the 6th inst. the Food Administration sent the following telegram to the Louisiana sugar producers and the matter is still under consideration by them:

"We are, as you know, making an earnest effort to protect the American consumer from speculation and extortion in sugar at a time when we are parting with our national supplies to protect the ration of the French people until Cuban sugar is available. The French have reduced their ration to only 500 grammes per month per person, or equal to 1 pound per month or one-half ounce daily. This is to be compared with our American consumption of 4 ounces daily or 7 pounds per month. The beet-sugar producers have patriotically agreed that they will not sell their sugar for more than \$7 25 per 100 pounds, less 2% New York basis. To effect these ends of protection to our millions of people and to help against parting with our margins to supply the French, we need similar action by the Louisiana producers. We have agreed with the refiners that they will limit refining charges to the pre-war average plus the actual increase in expenses due to the war. I wish to appeal to the Louisiana producers that they should also agree to sell their sugar upon the same basis as the beet-sugar producers in addition that we endeavor to secure to them the base price at New Orleans the same as that at New York for all sugar refined in New Orleans. This patriotic service will be a signal demonstration to the country, not only of the desire of the industry to national service but the advantage of home industry in sugar.

(Signed) HOOVER.

It was reported yesterday afternoon (the 19th inst.) that the American Refiners' committee has received the following advices from George M. Rolph, Chairman of the sugar division of the Food Administration:

We consider it essential to reduce consistently the sale of sugar to confectioners. Production of candy must be reduced in order to provide household and Allied food needs.

This request applies to manufacturers of gums, cordials, syrups and all luxuries.

PRESIDENT WILSON APPROVES PRICES FOR STEEL PRODUCTS.

An agreement between the War Industries Board and steel men fixing maximum prices for steel products (said to be about one-third under existing market prices) was approved by President Wilson on the 11th inst. The prices affect blooms, billets, slabs, sheet bars, wire rods, shell bars and skelp; they are subject to revision Jan. 1 1918. The present agreement supplements that of Sept. 24, which govern iron ore, coke, pig iron, steel bars, shapes and plates. The details of that agreement were printed in our issue of Sept. 29. The following is the announcement relative to the new price agreement as made public by the War Industries Board of the Council of National Defense on Oct. 11:

The following statement has been issued by the War Industries Board of the Council of National Defense:

The President has approved an agreement between the War Industries Board and the steel men, fixing the following maximum prices, which become effective immediately, and are subject to revision Jan. 1 1918, viz.:

Commodity—	Price agreed upon.	Base.
Blooms and billets 4 by 4 inches and larger	Gross tons. \$47 50	Pittsburgh
Billets under 4 by 4 inches	" 51 00	and
Slabs	" 50 00	Youngs-
Sheet bars	" 51 00	town.
Wire rods	" 57 00	Pittsburgh
Shell bars—3 inches to 5 inches	Per 100 lbs. \$3 25	
Over 5 inches to 8 inches	" 3 50	
Over 8 inches to 10 inches	" 3 75	
Over 10 inches	" 4 00	Pittsburgh
Skelp—Grooved	" 2 90	
Universal	" 3 15	
Sheared	" 3 25	

The prices enumerated have been fixed by the President on the assurance of those representing the steel industry that these prices equitably adjust the relations of the steel interests to each other, and will assist them in fulfilling their obligations to give the country 100% of production at not to exceed the prices heretofore announced.

Measures will be taken by the War Industries Board for placing orders and supervising the output of the steel mills in such manner as to facilitate and expedite the requirements for war purposes of the Government and those nations associated with us, and to supply the needs of the public according to their public importance and in the best interests of all, as far as practicable.

A spirit of co-operation was manifested by the steel men, and no doubt is entertained that every effort will be made to bring the production as nearly as possible up to the extraordinary demands resulting from the war.

Judge Elbert H. Gary, Chairman of the United States Steel Corporation, speaking with regard to the new steel prices, on Oct. 15 stated that "on the whole it may be said that the negotiations with the War Industries Board and the results were satisfactory to the steel trade, although the prices named are lower than had been expected." He also stated that "the steel industry generally will be benefited by the attitude and action of the War Industries Board and the President." Judge Gary's statement follows:

Our committee was in conference with the War Industries Board on Wednesday and Thursday of last week and agreed upon recommendations to the President concerning the prices to be fixed for many of the leading semi-finished and finished steel products, and these were adopted by the President as published.

On the whole it may be said that the negotiations with the War Industries Board and the results were satisfactory to the steel producers, although the prices named are lower than had been expected.

The disposition of the members of the Board to carefully inquire into the facts relating to cost, capacity, facilities and profits has been so fair and frank that the manufacturers without exception will be influenced to respond to the request of the Board for production equal to full capacity, and the prices determined upon will, with some adjustments between manufacturers as to deliveries, yield profits sufficient to bring them within the President's original proclamation.

The prices of commodities not already considered by the Board will be fixed by arriving at a parity.

The steel industry generally will be benefited by the attitude and action of the War Industries Board and the President. The profits of some of the manufacturers will be somewhat decreased. However, conditions will be more normal and they will be healthy.

FUEL ADMINISTRATOR GARFIELD WARNS COAL MINERS AGAINST THREATENED STRIKES.

As a result of reports of threatened strikes in the Southwest coal districts, Fuel Administrator H. A. Garfield telegraphed the heads of the district unions demanding that there be no walkouts, and giving warning that he would use every power vested in him to prevent them from stopping work. Similar messages were also dispatched to operators in the territory. The message sent by Dr. Garfield to the union officials and operators read as follows:

Newspaper statements that strikes have been ordered in the Southwest districts known as Districts 14, 21 and 25 have been confirmed by telegram. I am informed that the officers of your national association have appealed to you to use every effort in your power to avert a strike at this time, in view of the national situation and the great task imposed on President Wilson. I cannot too strongly reinforce this message. Strikes must not take place. If they have been ordered the order ought to be revoked at once. The terms of the agreement agreed upon at Washington between operators and miners are fair. I understand that the only clause objected to is the clause providing for penalty. It is just that this should be agreed to. I shall use every power committed to me to prevent strikes and warn you against allowing the order to stand. If you cannot compose differences with operators at home, meet me here in Washington, meanwhile keeping mines at work.

A further warning to the miners and operators in the fields involved was contained in a telegram to them on Oct. 17, in which he stated that "if either the operators or the miners attempt to bring pressure upon me to reach a decision I shall postpone it and use whatever powers are necessary to compel the production of coal to meet the country's needs." The following is his second warning:

American citizens engaged in the mining of coal, whether operators or miners, are for the most part mindful of the fact that our country is at war and that the burden rests upon them to produce the coal needed without interruption. But there are evidently some who fail to understand the gravity of the situation and who do not hesitate to advocate strikes at the present time as a means of forcing the Government to at once decide whether the wage increase agreed to at the meetings recently held at Washington by the operators and miners of the Central District should justly be covered by an advance in the prices fixed by the President.

The matter has been submitted to me, and all concerned are expected to co-operate. I am giving immediate and close attention to the question and hope to reach a decision at an early date. The only circumstance within my control which will delay that decision will be the violation of the spirit of the arrangement between the operators and miners, which was that under no circumstances should the production of coal in the United States at the present time be allowed to diminish.

If either the operators or the miners attempt to bring pressure upon me to reach a decision, I shall postpone it and use whatever powers are necessary to compel the production of coal to meet the country's needs.

Confidence that the strike of the coal miners in the central competitive field of Ohio, Illinois, Indiana and Pennsylvania would be settled in a short time was expressed by Fuel Administrator Garfield and John P. White, President of the United Mine Workers, on Oct. 18. President White left Washington on the 18th for his headquarters in Indianapolis to continue his efforts to induce the men to return to work. Despite reports indicating a spread of strike sentiment among the men, Mr. White was optimistic when he left Washington. At the offices of the Fuel Administra-

tion yesterday (Oct. 19), it was said that a reasonable time will be permitted for a settlement of the difficulties before any steps are taken by the Government. In the meantime, it is stated, Dr. Garfield has completed a plan which will provide for drastic action if the strike continues to interfere with production.

Demands for immediate wage increases of from 20 to 70% by miners in the central competitive field were formulated by the representatives of the miners in Washington on Sept. 25. The demands called for—

Increases of 15 cents a ton on pick and machine mined coal at all basing points in the United States.

The percentage of increase granted on machine and pick coal to be applied to all differentials existing between thin and thick vein mines.

Advances of \$1 90 a day for all men employed in and around mines.

20% raises on all dead work and yarding.

It was stated on Oct. 25 that the operators, aside from contending that they could not afford to pay the increases, declared the demands unjustified, inasmuch as a general wage raise was granted last April, which was to have lasted until next March. In addition, they pointed to an increase given in April 1916, which they said was granted with the distinct understanding that no more demands were to be made for a period of two years. The demand of pick and machine miners for an increase of 15 cents a ton, the operators said, would mean an average wage increase of about 25%. The increases asked, while stipulated for the central field, comprising Ohio, Indiana, Illinois and western Pennsylvania, were generally regarded as intended to serve as a basis for the entire country. The demands were presented to a joint sub-committee of miners and operators on Sept. 26. A vain attempt to reach an agreement on the miners' proposal that the operators grant an increase which might be used as the basis of an appeal to the Government for higher selling prices was made by the sub-committee on Sept. 27. The operators declined to consider the proposition, announcing their belief that it would look like conspiracy between miners and operators to force higher coal prices. On Sept. 28 demands of coal operators that the Government prices for coal be revised upward to permit an advance in pay to miners were heard by Dr. H. A. Garfield, the Fuel Administrator, and by him laid before President Wilson. After a tentative agreement had been reached on Oct. 2 a compromise on a new contract was agreed to by the representatives of the operators and miners on the 5th inst., the operators assenting to the new wages on condition that they be absorbed in higher coal prices.

It is stated that the wage increase, according to operators' estimates, will add from 35 to 50 cents a ton to the cost of producing coal in thick vein mines and considerably more in mines containing the thinner veins. The new contract, it is said, will contain provisions to prevent strikes and lockouts and will be so drawn as to make it impossible for either operators or miners to break it on the grounds of changed conditions. It will run for the duration of the war, provided the war does not continue more than two years. Under the agreement an increase of 10 cents a ton will be paid for pick and machine mining as against the miners' first demand for 15 cents; day labor will be advanced \$1 40 a day instead of the \$1 90 asked; the pay for yardage and dead work will be increased 15% instead of 20% demanded. Trappers will get 75 cents a day raise and other boys \$1. Provisions penalizing strikes and lockouts and making it impossible to terminate the contract at will were insisted on by the operators, who sought some guarantee that the miners would not seek further increases during the life of the contract. It is stated that in seeking a revision of coal prices to meet the wage increases, operators, it is understood, will ask the Fuel Administration for an additional increase in prices to cover higher mining costs generally.

John P. White, President of the United Mine Workers, said the increased wages would stimulate production and prevent mine employees from leaving the mines.

Differences between miners and operators in the Kentucky. Tennessee coal fields were adjusted on Oct. 4 when an agreement to resume work, pending final settlement by an arbitration committee at Washington, was signed at Knoxville by 18,000 miners. The agreement had previously been signed by officials of the Southern Appalachian Coal Operators' Association and officials of the United Mine Workers of America. It is reported that the agreement provides that any grievance from either miners or operators be referred to a joint board composed of two operators, two miners and an umpire, the latter to be chosen by the four

members of the board if possible. If the members cannot agree on a permanent umpire, then he shall be selected by Coal Administrator Garfield. The following questions in dispute will come up first:

(a) The question of an advance in wages, tonnage, rates, yardage and dead work; (b) questions of hours of labor and working conditions; (c) question of maintenance of a check weighman.

The agreement set out that the miners would resume work on Oct. 8, and that the term of contract whenever signed shall be for the term of the war, except as to wage rates, which may be subject to change by a special arbitration board at such times only as the Government may change the price of coal f.o.b. at mines. The strike had been in progress since Aug. 11.

FUEL ADMINISTRATOR ORDERS AMPLE COAL PROVIDED FOR PENNSYLVANIA RAILROAD.

What is regarded as the first move by the Fuel Administrator to guarantee a distribution of coal to various railroads was taken on October 11, when announcement was made that the carriers of the country would be supplied with cars to move the production of the mines. This is the first of a series of orders to distribute coal on a priority basis and regulate the movement of the coal cars. The Pennsylvania Railroad, it was announced, serving 700 mines, will have its needs taken care of and other carriers will be served through similar orders soon to follow. The Fuel Administration, on Oct. 11, issued the following statement:

The first of a series of orders to distribute coal on a priority basis and regulate the movement of coal cars, issued yesterday by Fuel Administrator Garfield, provides that the Pennsylvania Railroad, which serves about 700 mines, shall have its needs properly taken care of. Other railroads will be served through similar orders soon to follow, which will comprise the first series.

Commercial coal will be distributed by the second series, giving preference in order to the Government domestic users, public utilities, and all commercial organizations using coal.

The present order was adopted after conferences extending over the past two weeks with a committee composed of the following:

C. M. Shaeffer, Chairman Commission on Car Service; D. E. Spangler, Commission on Car Service; G. W. Kirtley, Assistant to Judge R. S. Lovett, Director Priority in Transportation; E. H. De Groot Jr., Chief Division of Car Service, Inter-State Commerce Commission; A. G. Gutheim, attorney examiner Inter-State Commerce Commission; L. A. Snead, representing the Fuel Administration; T. H. Watkins, President Pennsylvania Coal & Coke Corporation; J. Lloyd Jr. of the Altoona Coal & Coke Co., Altoona, Pa.; W. K. Field, President Pittsburgh Coal Company, and President National Coal Association; and B. W. Warren, attorney for the Fuel Administration.

Representations were made some time ago by mine operators on the Pennsylvania System that their coal was being confiscated by the railroad, whose right to do this is unquestioned. This diverted a good deal of commercial coal already contracted for, which displeased dealers to whom it had been consigned. It resulted also in confiscation of cars that would otherwise have been available for commercial loading. Often the railroad was obliged to keep coal on the cars longer than is necessary in the regular course of business.

All producers of bituminous along the Pennsylvania lines will contribute pro rata to the fuel needed for its operation. Operators who have already agreed to supply the road with the amount that would be deemed their correct percentage will continue their contracts and remain unaffected by the new order.

Other mines must contribute the amount declared to be equitable by the Fuel Administration, at the Government price. The amounts required will, in some instances, interfere with delivery of full consignments called for by their contracts with customers. But the railroads must be kept running. The Fuel Administration suggests that operators withhold coal from persons or corporations needing it least, and that they attend particularly to the supply of other railroads than the Pennsylvania.

It is deemed particularly essential that coal needed by the United States Government be not interfered with. The Fuel Administration may make a special priority order in special cases and intends to care fully for domestic users. Munition plants and firms manufacturing necessities of life would come into the priority order class. The plan is expected to show immediate results in an increased supply of coal cars and a steady equitable flow of fuel to the railroads.

DAILY OUTPUT OF COAL BREAKS ALL RECORDS TO MEET THIS YEAR'S DEMANDS.

So much is being said about the shortage of bituminous coal, and the general public realizes so little the important gains in output made by the operators under trying conditions, last summer, over all previous records, that the statement just issued by the United States Geological Survey, Department of the Interior, on production in 1917, compared with 1916 is particularly timely. In commenting on this report, prepared by the statisticians of the Geological Survey, Director Geo. Otis Smith points out that the shortage is not due to the failure of the soft-coal mines to produce more coal than in the past, for the country on September 1 was about a month ahead of last year in output and is expected to finish the year with an increase of 10% over 1916, the banner year, and of 25% over 1915. A statement issued by the Department under date of October 11, further says:

The tremendous increase in manufacturing and transportation activity this year has created a demand for soft coal in excess of any in the past, an increase in demand that is difficult to measure in terms of tons, but that is certainly more than the 10% by which production has increased. To

meet this demand the mines have been producing soft coal at a rate never before equaled. In the second week of July, 1917 the average daily production was more than 1,900,000 tons, the highest point yet attained; in the middle of August the lowest rate for the summer, 1,638,000 tons, was recorded; and in the last week of September the daily rate was 1,823,000 tons. In the first eight months of 1917 the output of soft coal was 363,750,000 tons, or 37,000,000 tons, more than in the first eight months of 1916. In the same period shipments of anthracite increased 16% over those of 1916.

NO COAL SHORTAGE IN THE EAST.

In a statement on Oct. 6 declaring that there is no coal shortage in the East, the Fuel Administration said:

Denial of reports of a coal shortage in Washington, D. C., or of a general shortage in Eastern points, either present or prospective, is made by Federal Fuel Administrator Harry A. Garfield. There is not now enough coal in Washington for the winter; but the quantity needed will be supplied after navigation closes on the Great Lakes Nov. 15.

Shipments to the Great Lakes are being given preference in order to provide sufficient coal for the Northwest before the close of navigation. This is necessary in order to prevent shipment of coal all rail to the Northwest after the close of navigation, thus sending cars out of service, which would result in an actual car shortage. The Eastern sections of the country are being supplied with sufficient coal for necessary requirements, but increased shipments are not being made for storage purposes because all surplus coal is being shipped to the Lakes for Northwest delivery from the docks. As soon as navigation closes on the Lakes such shipments will be diverted to Eastern points and distributed according to need; and we anticipate there will be sufficient coal available for necessary requirements.

The matter of prompt movement of coal cars is now receiving consideration and it will undoubtedly be necessary to give them preference in movement, both loaded and empty, over other slow freight.

This will provide additional cars, which should result in increased production sufficient for all necessary purposes.

COAL SUPPLY AMPLE FOR REQUIREMENTS OF MIDDLE WEST.

The Fuel Administration issued the following statement on Oct. 16 to the effect that an ample supply of coal to meet the Middle West's immediate requirements is assured:

An ample supply of coal to meet the immediate requirements of the Middle West is assured, H. A. Garfield, the United States Fuel Administrator, states.

"I have just returned from a trip to Ohio, where I took up with the newly appointed State Fuel Administrator, Homer H. Johnson, the Ohio situation, also meeting with the Cleveland Chamber of Commerce committee on coal supply," the Fuel Administrator said. "I also was in telegraphic communication with Indiana and other points in the Middle West.

"The situation in the regions bordering on the Lakes is this:

"The priority order and the coal shipments by Lakes to the Northwest lead the people of Ohio, Indiana and Michigan to feel that coal is being carried through those States without due consideration of the local needs.

"Arrangements have been made for the supply of coal through State administrators where appointed, and when not yet appointed through public officials of the States. It is now understood that on receipt from the proper officials of a statement naming the public institution requiring coal or the dealers supplying coal to domestic consumers in need, the amounts being specified and also the places at which deliveries are to be made, coal will be ordered shipped immediately. These statements are to be filed with the State Fuel Administrators, or, when they have not been appointed, with the Federal Fuel Administrator at Washington. In every case coal will be furnished at Government prices.

"When local officials have undertaken to confiscate coal for the use of public institutions or local communities they not only have assumed to exercise powers not vested in them but, at the best, would be required to pay contract prices for the coal."

ARIZONA COPPER MINERS TO ALLOW WAGE ADJUSTMENT COMMISSION TO SETTLE STRIKE.

Announcement was made by the Committee on Public Information at Washington on Oct. 12 that the striking mine workers in the Globe Miami Copper district of Arizona had agreed to place in the hands of the President's Wage Adjustment Commission the adjustment of the Arizona labor troubles. The Wage Adjustment Commission, which is headed by Secretary of Labor William B. Wilson, is now touring the Western States in an effort to compose the labor differences there, which have seriously hampered the carrying out of the Government's war program. In a telegram to the Washington officials on the 12th inst., the Commission announced that it was now hearing the side of the mine operators, and when the news of both sides of the labor dispute had been obtained the Commission would, with the co-operation of both the miners and their employers, formulate a plan of settlement, which it was hoped would satisfy both sides, and thus give the country the copper it needs to carry on the war. The telegram received from the Wage Adjustment Commission, according to the "Official Bulletin," reads as follows:

The President's Labor Commission, sent to the Southwest and the mountain region, has concluded the hearing of the side of the striking miners in the Globe Miami copper district of Arizona. The Commission was gratified to hear that the State leader of the strikers and President Moyer of the International Union of Mine Mill and Smelter Workers, have unreservedly placed the adjustment of the Arizona labor difficulties into the hands of the Commission with an unconditional agreement to abide by any decision the Commission may make for the maintenance of peaceful labor relations in Arizona, at least during the period of the war.

The Commission is now hearing the side of the operators, and when that side is concluded and the views of other parties interested in the Com-

mission's inquiry are submitted the Commission will begin the task of formulating a plan of settlement through the co-operation of all interested parties, which it is hoped will satisfy all sides and thus give the nation the copper it needs under just conditions of employment.

The striking unions concluded the presentation of their case to the Commission by making an unqualified offer to go back to work immediately upon the agreement of the operators to submit the dispute to arbitration by the Commission, and to continue at work pending the arbitration. The strikers expressly stated that they were eager to do away with any delay which would in the least hold up the normal production of copper for the use of the nation.

MEMPHIS MERCHANTS EXCHANGE PROHIBITS SPECULATION IN COTTONSEED MEAL.

Rules prohibiting speculative trading in cottonseed meal, but permitting hedge selling for protection, confined to legitimate trade interests were adopted on Oct. 13 by the Memphis (Tenn.) Merchants Exchange. The new rules prohibit purchase or sales for future delivery beyond two months ahead, and permit the closing out of present contracts for any month within the life of the contract. A daily fluctuation limit of \$1 50 per ton, beyond the bid of the last previous close, is also provided. The action of the Memphis Exchange is similar to that taken by the New York Produce Exchange, which (as noted in these columns last week) on Oct. 9 placed a ban on further speculation in cottonseed oil, both by trade and outside interests.

RIGHT TO BUY AND SELL FOOD ASKED BY MAYOR MITCHEL.

Mayor Mitchel of this city on Thursday (Oct. 18) wrote to Chairman Mitchell of the New York State Food Commission, asking permission to exercise the city's power as granted in the new State Food Control Law, enacted by the 1917 Legislature and published in full in these columns last week (pages 1486 to 1489, inclusive) to purchase, store and sell food and fuel to the people of the city. The Mayor wrote also to the Board of Aldermen and the Board of Estimate and Apportionment urging them to transmit a similar request to Chairman Mitchell, declaring by resolution, as required by the new law, that such an emergency exists. In his letter to Chairman Mitchell the Mayor wrote:

For a long time this city has been trying to get from the State Legislature the right to buy food direct from the producer and sell it to the consumer through such channels as from time to time seem wise. The Legislature refused to make direct grant of this power to the city, but in the recent State Food Commission Law authority was given to the Commission, of which you have been made Chairman, to consent to this exercise by the city of power to buy, store and sell food and fuel through such agencies as it may determine.

The Mayor spoke of the burden now imposed upon wage-earners and other classes and expressed the belief that "there seems no power of relief in sight save through the operation of the power conferred upon the city by the law." Continuing, he said:

Furthermore, in view of the constant rise in prices during the current year, it is clear that a similar emergency, indeed one far more acute, is likely to exist as soon as winter sets in.

For these reasons I, as Mayor, do hereby certify to you that both "an actual and anticipated emergency on account of the deprivation of necessities, by reason of excessive charges and decreasing purchasing power" exists, and apply to you for consent to the exercise by the City of New York of the power to purchase, store, and sell to its inhabitants food and fuel, as provided in Section 14 of the State Food Commission Law.

I am transmitting simultaneously to the Board of Estimate and the Board of Aldermen a request that they adopt and transmit to your Commission the resolutions required by the statutes.

In his letter to the Board of Estimate the Mayor relates the efforts he made to obtain passage of the food law long before it was finally adopted by the Legislature. That body, he declares "either blinded to the approaching crisis, or influenced by the pernicious lobby maintained by the food monopolists, denied the power requested by the city."

"Finally," he continued, "after three years of effort on the part of the city administration and due to the pressure of war conditions and to the impact of public opinion the Legislature enacted a bill which has become statute law and which contains a grant of power sufficient to secure some accomplishment."

The provisions of the new Food Control Law (Chapter 813, Laws of 1917) dealing with the purchase of food and fuel by municipalities in the State are contained in Section 14 and provide that, with the consent of the Commission, any municipality in this State may, in case of an actual or anticipated emergency on account of a deprivation of necessities, by reason of excessive charges or otherwise, purchase food and fuel with municipal funds or on municipal credit. Any municipality may also store and sell food and fuel.

The newly established Department of Public Markets, of which Henry Moskowitz is the head, will be the municipal food and fuel agency. An office was opened on Oct. 18 in the Municipal Building.

THEODORE E. BURTON DESCRIBES THIS AS A YEAR OF AWAKENING AND OF PERIL.

Theodore S. Burton, President of the Merchants' National Bank of this city in addressing the New York Chapter of the American Institute of Banking recently advised attention to other subjects besides the mere routine of banking. The problems of this year and other problems of probably greater import in years which are to follow will, he pointed out, require increased breadth of vision as a condition of usefulness and success. Mr. Burton added:

The successful banker of to-day must understand the fundamental principles of finance, of taxation and of economics. International banking is assuming far greater prominence than formerly, and along with a familiarity with its methods, an acquaintance with international relations is quite essential. All the citizens of this republic must give their very best thought to the political and social movements which are now giving a new meaning to our conceptions of equality of the dignity of manhood and womanhood, and of the demands of humanity.

To the graduating class of the Chapter Mr. Burton offered some practical suggestions upon methods of study, such as the avoidance of the discursiveness so prevalent at this time and the concentration of efforts on that which can be finished. He referred to the fact that there never was a time when the "Jack of all trades" was a less useful member of the community than at present. The day of the expert has come said Mr. Burton, and his services will be more and more required as the years go by. In a reference to the war and the part of our country in it, Mr. Burton said:

To us in America it is equally true with all the rest of the world that this is a year of awakening and of peril. We enjoy in an especial degree the triumphs of science and education; the benefits of unparalleled opportunities are all in evidence in our own favored land, but along with these advantages we are aroused to a realization of the fact that the isolation which we had regarded as a source of strength and a distinctive feature of our national life belongs to us no longer. The wide oceans and natural barriers no longer divide us from the old world or the new. We must take up our new responsibilities with a quickened sense of our real interests at home and abroad and of our obligations to all other peoples.

It is truly a time of peril. The awful contest now pending is one in which not only national existence but all our cherished ideals, the results of infinite self-sacrifice and struggle, are hanging in the balance.

We are at war and this is as much our war as of any nation on earth. All our conjectures and thoughts as to the duration of the contest must be overshadowed by the resolution that the end cannot come until victory is won. Against us is a nation whose rulers believe that man was made for government, and not government for man, a nation actuated by an insane desire for world domination and in attaining whose objects force, fraud and constant meddling with the affairs of all the rest are the dominant policies. German culture has by no one been more fitly described than by one of their own race as "Learning without character, knowledge without conscience, organization without humanity, discipline without liberty and ideals without dignity." Against this supreme peril we have taken up the sword on behalf of lasting peace, order, liberty and justice tempered with mercy. Our normal activities will indeed in part continue, but in this trying hour our first duty is to our country and to the great causes upon which the world's future depends.

EASTERN RAILROADS TO RENEW PETITION FOR HIGHER RATES.

The intention of the Eastern railroads to present anew their petition for higher freight rates was indicated this week. At an informal conference between representatives of the roads and the Inter-State Commerce Commission the executives of the roads presented a list of proposed increased rates sought on a long list of commodities not included in the Commission's award of June 29 in the petition of the railroads for a general 15% increase in freight rates. According to the dispatches from Washington it was not disclosed at the conference (which took place on Oct. 17) what form the railroads' program will take, but it was intimated that the Commission would be asked to authorize a general rate advance.

After the Commission disposed last June of the 15% case the railroads in a number of instances filed individual tariffs, proposing virtually the same increases that had been denied. The docket has many such applications, and a number of proposed tariffs are under suspension. Commissioner McChord, seeking to shorten the way to disposition of the railroads' request, suggested on the 17th inst. that it might be well for the roads to apply for a reopening of the 15% case, but withdrew the suggestion upon learning of the number of pending cases which would be affected by such a course. Chairman Hall of the Commission suggested at the close of the hearing that the roads notify the Commission formally of what they desire in the way of temporary increases, and said that the Commission would confer over methods of procedure suggested by the roads, and communicate its decision to the carriers. Representatives of shippers asked that they also be informed of further developments in the case. This week's appearance of the representative of the roads before the Inter-State Commission was incidental to a conference among the Commission, the roads, shippers, State railway commissioners and other

interested parties at which the question of specific advances was taken up. The broad features of the whole rate revision program, it is stated, remained in the background and discussion centred almost wholly on the technicalities of procedure involved in obtaining what the roads characterized as temporary relief. This temporary relief, the Commission was told, was desired in the form of increased rates on a long list of commodities, chief of which are live stock, dressed meats, petroleum, grain and grain products, sand, stone, cement and copper. The proposed increases would apply to traffic east of the Mississippi River and north of the Ohio. They would not affect, except indirectly and by combination, rates in other sections of the country.

George Stuart Patterson, General Counsel for the Pennsylvania R. R. and spokesman for the roads, in outlining the roads plans to the Commission, said:

We come with two specific suggestions. The first is whether it is not practicable and whether a blanket application should not be filed by the carriers asking for permission to file tariffs covering all those commodities, such as brick, copper, stone, sand and many others. Cannot a blanket application be filed so as to obviate the necessity of filing separate applications for increased rates with respect to each one of these commodities?

The second suggestion is this: Would it not be desirable and in accord with the public interest to postpone the hearings which have now been set with respect to the tariffs under suspension covering increased rates on grain, grain products, live stock, dressed meats and certain other miscellaneous commodities?

It is the opinion of the gentlemen whom I represent that any relief which will be secured from permitting these increased rates in respect to these commodities will be only a temporary relief and that it is only a question of a short time when the needs of the Eastern carriers will be brought to the attention of this Commission in a much more general and more specific way than is contemplated in these particular tariffs.

The request for a conference on behalf of the roads with the Inter-State Commerce Commission was made by George F. Randolph, Commissioner of Lines in Official Classification Territory. In his communication to the Commission, dated Oct. 12, Mr. Randolph said:

The trunk line traffic executives, after a discussion to-day, desire me to try to arrange for a short informal conference with the Commission next Wednesday or Thursday (Wednesday preferred) to talk over the rates on traffic not favorably acted upon in the recent decision of the 15% advance in rates case, some of which are now covered by suspended tariffs and hearings arranged for, others covered by tariffs which carriers canceled at the suggestion of the Commission, and possibly other matters germane to the subject of securing all of the results originally asked for.

The thought arises from the carriers' keen necessities, as shown by the results since the case was presented, and was encouraged by the language of the Commission on page 23 of its decision as to amplifying its order if the necessity became apparent.

If a few of us could have the privilege of such conference on next Wednesday, it is thought it would be of great assistance at the present time in reaching a prompt conclusion as to future action.

The Commission, in its reply, said:

Pursuant to your request by letter dated yesterday, the matters there referred to may be presented to the Commission at a public session Oct. 17 at 2 p. m. Notice is being given accordingly.

It was reported on the 15th inst. that the railroads of the West are expected to follow the move of the Eastern roads in asking consideration of increased freight rates.

TRAINMEN'S DEMANDS FOR INCREASED WAGES.

Notice is said to have been served on the railroads of the Eastern Classification Territory by the Brotherhood of Railway Trainmen and the Order of Railway Conductors that demands for increased wages for passenger crews will be presented to the roads on Dec. 1 to become operative on Jan. 1. The task of drawing up a higher wage schedule which the employees of railroads in northeastern United States and eastern Canada will place before the roads was lodged in the hands of the executive committee of the Brotherhood of Railroad Trainmen and Order of Railway Conductors, in convention at Ottawa on Oct. 17. It was announced on Oct. 18 that the representatives of the organized railroad workers in the United States and Canada in convention had decided to recommend to their unions that wage increases of not less than 20% be demanded. The workers involved are trainmen, conductors, baggage-men, brakemen and yardmen. The vote was unanimous on the part of 104 chairmen of the Brotherhood of Railroad Trainmen and the Order of Railway Conductors. The question will be submitted to a referendum of the members of the brotherhoods. W. G. Lee, President of the trainmen's organization, in announcing the decision of the convention, said it had been determined that railroad workers holding positions of responsibility were entitled to better pay. He explained that workers in steel mills and kindred industries had received increases of 42% in wages in the last year, while trainmen and conductors have not had more than 30% in thirteen years.

In 1913, he said, the men obtained the eight-hour day, but in a majority of cases this meant little to them unless the two hours they gained could be turned into money.

CONVENTION OF NATIONAL ASSOCIATION OF RY. COMMISSIONERS—SAMUEL REA'S REMARKS.

The creation of a special War Committee to act in an advisory capacity to all State railway commissions and to the carriers and shippers in transmitting to them the desires and needs of the Government in the conduct of the war, was voted on Wednesday at the session of the National Association of Railway Commissioners in Washington. The annual meeting of the Association opened on the 16th inst. and will close to-day (Saturday). The delegates were welcomed by Chairman Hall of the Inter-State Commerce Commission, and in addressing them he said:

There is need of greater co-operation between the State and Federal regulatory bodies, and this meeting can prepare a way for such co-operation. We must consider the needs of the shippers, carriers and the public, not their desires, and the needs of the country at war.

Max Thelan of California, President of the Association, in his address to the Commissioners, who represent thirty-one States, said the railroad problem in the United States has permanently moved beyond the ownership and operation of the railroads as disconnected entities by private companies. "The issue now and hereafter," he declared "is an issue between consolidated operation of our railroads, in private ownership and their unified operation directly by the Government through Government ownership."

At the banquet held by the Association on the 17th inst., Samuel Rea, President of the Pennsylvania Railroad, urged co-operation on the part of the State railroad commissioners with the Inter-State Commerce Commission. In part Mr. Rea said:

With a degree of co-operation on the part of the general public, which we feel can scarcely be too highly praised, we of the War Board, are making very material progress toward obtaining the maximum service out of the transportation plant of the country. We are expediting traffic; carrying more tons to a car and to a train; moving freight cars and engines more miles per day; eliminating unnecessary train service; consolidating passenger trains; securing prompter unloading, and in many ways releasing men, trackage and equipment to care for the movement of troops, military supplies, food, fuel and other necessities. We are making priority shipments under mandate of the Federal Law. By our own agreement, we are moving empty cars about the country so as to put them promptly where they are most urgently needed, and are arranging the routing of traffic according to the best physical conditions, and without reference to benefiting individual roads. These are but part of the response of the railroads to the needs of the national defense. Other examples of subordination of the competitive activities of individual railroads to the general welfare, are supplied by the efforts made in expediting coal shipments; in furnishing material for the cantonments; in providing additional facilities for new shipyards, industries and mines; in handling the movement of more than 700,000 troops to camp and to seaports for transportation abroad, and in other ways.

All of this means forcing of traffic out of its normal channels, foregoing profitable business and making great financial sacrifices at a time when it is extraordinarily difficult to conserve railroad revenues. We are face to face with an absolutely unprecedented scale of prices for all materials; wages are higher than ever known before; labor is difficult to obtain at any price, and much of it is incredibly inefficient; we are practically unable to obtain new locomotives, as France has the first call on the American supply, and similar conditions exist in the case of steel rails and many other materials. We are daily made to feel more keenly the competition of industries in the labor market, because they are able to pay wages which the railroads cannot afford. Many of our best men volunteered in the military service months ago, and thousands more have just been taken in the draft. Nevertheless, the railroads have disregarded all of these factors which make operation difficult beyond precedent; they have put profits in the second place and national service in the first place.

To sum up my judgment upon this subject, I feel that State Commissions should regularly be represented at all Federal rate hearings, and that the members in attendance should go back prepared to make a report upon which immediate action on intra-State rates should be based.

And I also feel that, unless some extraordinary reason exists, the State Commissions should acquiesce in the judgment of the Federal Commission, and authorize all changes necessary to conform thereto without further proceedings.

The failure of the States to take a proper place in the regulation of our railroads has given rise to great misgivings, and many States have allowed the railroads and investors—and I suspect the public—to feel that railroad regulation was rather a partisan question than a serious business and economic question. I do not desire to press this matter too hard. We all have our shortcomings and you men can fully appreciate the significance of what I am saying.

We want your co-operation, and co-operation means prompt action and leadership. In this country, when action and leadership are not forthcoming in the affairs of a corporation or any public body, it must eventually go to the scrap heap, and some other corporation or body must carry out the national will, but meanwhile the country suffers.

Here let me say that we are deficient in terminal facilities and equipment because of insufficient earnings and unduly low rates since 1907, and the country and the businessman are paying the price of neglect, notwithstanding all our efforts to help them. Bricks without stow cannot be produced. High costs, high taxes and high wages cannot be paid without sufficient rates. The Pennsylvania Railroad faced the war of 1861 with average rates of 2½ cents per ton mile, and the war of 1917 with average rates of slightly over 6 mills per ton mile. Yet nearly everything that goes into the expense of railroad operation costs far more now than it did when the Civil War opened.

Testifying before the Joint Commission of the States of New York and New Jersey yesterday on port conditions in New York Harbor, I was obliged to point out the results of the unremunerative rates which the railroads have been compelled to accept, stating that over \$20,000,000 should have been spent on the Pennsylvania's New Jersey yard and terminal facilities to serve that port properly.

The situation is little different elsewhere. In the city of Baltimore embargoes exist and freight is being unloaded on the streets; the lines of the Philadelphia Baltimore & Washington RR. should have immediately spent upon them over \$10,000,000 for additional facilities; the Northwest System of our lines, between Pittsburgh and Chicago—serving the Lake ports, and the Pittsburgh, Youngstown and other great industrial districts—is suffering from the limitations of embargoes; all, in my judgment, because the returns allowed to the Pennsylvania System have been entirely inadequate for very many years.

Another field for co-operation by the State Commissions lies in aiding to bring about uniformity of State laws, and may I suggest that in the search for uniformity we shall not witness the usual conclusion, namely that nothing can be accomplished without adding further bureaus, reports, statistics, investigations, hearings and detailed action by the various public service commissions of our 48 States.

I must stop with these few thoughts and leave the field to you, to cover in a wider and better way. To return to my starting point, we ask your aid and co-operation in these matters: Simplification of accounting, elimination of unnecessary reports, prompt according of reasonable rates, legalizing pooling of traffic under proper public supervision, encouragement of mergers to promote efficiency, relief from obsolete restrictions of State statutes and the Sherman Law, and obtaining real valuation of the railroads. Your influence in all these matters is potent. We further ask each of you to remember that your State, however important, is only a link in the chain of public regulation of transportation. Make your link as strong as possible to protect the credit, and so the physical efficiency, of our railroads.

It is recognized as never before that railroad transportation is at the base of all our national activities and powers. The Government cannot move, in this great struggle, without its effective aid. Therefore, let us, through co-operation, make it a real and vital force, and a mighty arm of the nation in achieving success in our battles, our commerce and our national ideals.

When you return home, carefully consider the narrow margin of earnings allowed to the railroads, under public regulation, since 1907, upon the huge investment placed at the disposal of the public. I think you will then realize why it has been, and is now, impossible to provide the requisite capital to furnish adequate terminal facilities, and take full advantage of electrification and improved appliances in equipment and operation to keep the railroads well in advance of the growth of traffic.

In conclusion, let me say that when we have time to review the events through which we are now passing, and have achieved the results for which we are working as a nation, I want to see set out in history, for the eyes of future generations, the story of the immediate and loyal response of citizens to the common defense, and of the devotion of men and enterprises in fighting for the nation and serving its ends.

Questions of conscription have been set aside and the duty to volunteer, and to accept the selective draft, have been adopted as the proper courses of action for the individual citizens. We have given a sign to all the world that this democracy has dedicated its men, its honor and its private and corporate wealth to the nation, so that it may be in the first rank to fight for the world's freedom and the preservation of those ideals which underlie our Government, our business, our private life and our relations with other nations. We must insure ourselves that the sacrifices of bygone generations and the efforts of the past to guarantee to every man and every nation the right to work out their own lives and destinies, are not buried by the powers of force and barbarism. In this great work it is an honor for us all to share, realizing that transportation, and especially railroad transportation, is a national service and in the highest degree essential to national prosperity in times of war or peace.

FRANK TRUMBULL SAYS RAILROAD NEED IS FOR BROADER FOUNDATION OF CAPITAL FROM SHAREHOLDERS AND HIGHER RATES.

That there can be no such thing as "business as usual" under war conditions in any line was the assertion made by Frank Trumbull, Chairman of the Railway Executives' Advisory Committee, before the American Association of Passenger Traffic Officers at St. Louis on Oct. 16. To meet these changed conditions, said Mr. Trumbull, there have been and must continue to be important changes in the character of railroad service. The patience of the public for the inconvenience and annoyances which inevitably follow these changes was asked by Mr. Trumbull on behalf of the railroads in view of the important ends to be served. Mr. Trumbull's speech also dealt with the urgent need of the railways for reasonable and even generous rates, and in referring to the suggestion that the Government make large loans to the railways from the public Treasury, he stated that while some temporary relief of this sort might be considered, "it would be only a court plaster and would not cure the real trouble." "We ought," he said, "to have a broader foundation of capital from shareholders and we must have higher rates, both State and inter-State, to widen the foundation instead of the superstructure." We give the following from his remarks:

When, to expedite the transfer of important freight, in order to furnish the motive power and the rolling stock and the labor the war traffic demands they reduce the number of passenger trains, extend their schedules and submit to delays, the railroads ask that the public give consideration to the reasons therefor and not let the irritation of the moment interfere with generous judgment.

A late passenger train may easily mean that right of way has been given to food or fuel, munitions or troops, on their way to fight for us on Europe's far-flung battle line. The delayed receipt of some household comfort or some article of desired merchandise may easily be offset by the expedition of troops on their way to protect the home and make safe the institutions under which we live. As a leading Western railroad executive recently said:

"The emergency confronting the Government and the nation is greater than any emergency that can confront any private individual or corporation; and we, representing the transportation interests of this country, must stand together and co-ordinate all of our activities to one end; the early and successful termination of the war."

The urgent need of the railways for reasonable, even generous rates, is I believe, recognized by both State and national authorities, and I hope we may look forward with confidence to early and constructive action by these public authorities.

It has been suggested that the Government make large loans to the railways from the public Treasury. While some temporary relief of this sort might be considered, it would be only a court plaster and would not cure the real trouble. Why encourage the carriers to go into debt to the Government when the trouble to-day is that their debts are already too large? What they need is revenues to enable them to meet their existing obligations, not from lending creditors, but from shareholders. Why pile up Government debt on the already top-heavy load of private debt? We ought to have a broader foundation of capital from shareholders, and we must have higher rates, both State and inter-State, to widen the foundation instead of the superstructure. I assume railroad commission will not ignore the fact that we are living in an absolutely new world of credit, and that America is now a financial island.

The great war has brought vividly before the country the fact that railway transportation is an indispensable arm of national defense. For the service of the nation the operation of the railways has been mobilized in order that a maximum of transportation may be produced with the available facilities. Now that we have mobilized operation, there is even greater need that we mobilize railway credit and railway regulation, both of which are too much decentralized.

This is a task to command the highest constructive statesmanship. The first achievement of the present Washington Administration was the mobilization of the banking resources of the nation. It builded better than it knew, for who imagined, when the Federal Reserve System was inaugurated, that we would so soon face the gigantic task of mobilizing banking credit by the thousands of millions of dollars?

What the Administration did for banking it now has the opportunity to do for transportation. I believe that the day is near at hand when the mobilization of our transportation resources will be effected on as broad and solid a foundation as was laid for our banking resources.

CEMENT ASSOCIATION URGES THAT CARRIERS BE REQUIRED TO GIVE PREFERENCE TO SHIPPERS LOADING HEAVIEST.

The Portland Cement Association, comprising practically every cement manufacturer in the United States, with tonnage of raw and finished product and fuel amounting to over forty million tons annually, has passed resolutions urging that carriers be required by law to give preference in supplying cars to the shippers who load heaviest and release cars the promptest. The resolutions were adopted at the Chicago convention and forwarded to Judge R. S. Lovett, in charge of priority shipments and to the Executive Committee of the National Car Service Commission. The resolutions express the belief that if all the shippers do their best in utilizing equipment to the best advantage, there will be plenty of cars and locomotives to meet all needs.

L. E. PIERSON ON "FINANCIAL ASPECTS OF COTTON."

Discussing "The Financial Aspect of Cotton" before the Southern Commercial Congress in this city on Oct. 16, Lewis E. Pierson, Chairman of the Board of the Irving National Bank of New York, stated that in the consideration of his subject, particularly as to the national financial aspect, two phases of the situation appear to demand the greatest portion of attention just now. One of these, he said, is the attitude of the South concerning the extent to which the exclusively cotton growing area may be increased or diminished, this he stated, involving the question of diversification; the other phase mentioned by Mr. Pierson was the attitude of those most intimately concerned, the Government, the cotton producer, and the banker toward the question of what constitutes a proper present price for cotton. The principal bearing of this said Mr. Pierson is upon the possibilities of foreign competition. Mr. Pierson further said:

Unless we are able to see American cotton in proper perspective, that is, against a background in which all other cottons, actual and reasonably possible, appear, we are nearly certain to give it an improper place—an exaggerated importance—in our national economic plan for the future. If the light of our cotton experience of the past might be accepted as sole guide for the future, the entire case would be simple and easy. We would continue to produce our immense crop under the comfortable, reasonably secure, old-time conditions—England would remain as our best and most important customer—our own mills always would be sure of an ample supply upon which to work, and those of other countries would comfortably absorb the surplus—the cotton of South America, as now, would occupy a place of minor importance—old-fashioned China would go on growing, manufacturing, and absorbing her commercially indifferent product, along antiquated lines—Egypt would play her proper part in the long staple class—India, and Russia, and Africa, and South America, would exist as countries in which cotton was produced, but which in no way threatened the domination of the American product and, in the economic life of the South, cotton would continue as king.

Unfortunately, however, these delightful conditions to which we have become accustomed, and which we are disposed to take for granted, are not certain to endure. It may be that even though there had been no war, the steady, natural process of industrial and commercial evolution constantly going on throughout the world would have been sufficient to create in other countries, cotton-producing activities which in time would have challenged our supremacy.

As it is, with the war and its disturbances and institutional over-turnings and destruction of relationships, and object lessons upon the importance of national self-sufficiency, the larger view is thrust upon us whether we wish it or not, and it becomes certain that the future must be built upon a new and larger basis—one, in which the past will play only a minor part.

In treating the second phase of this question—the determination of a proper present price for cotton—we find that, here too, considerations

of the future instead of those of the past, or even of the present, must control in our conclusions.

We must realize that to a very considerable extent, our domination of the cotton markets of the world has not been based upon inherent superiority over other nations, or upon any other condition which may not yield to the influence of time and new impulses. The invention of the cotton gin in 1792 by Whitney and the fact that for a number of years it was used exclusively in the United States, might be enough to account for the start which American cotton then received and which ever since has enabled it to outstrip all competitors. Then, too, there is the advantage which was conferred upon it by the possession of negro labor which was cheap, undisturbed, fairly efficient and ideally suited to climatic and other conditions existing in the cotton-growing sections. But the cotton gin now is the property of the world and not of Mulberry Grove, Georgia. Labor in the South at last has encountered the same disturbing influences which affect it in other parts of the country and cheap-labor cotton is a thing of the past.

Continuing industrial or commercial supremacy based upon the possession of superior methods of machinery no longer safely may be included in the assets of a particular nation. Scientific methods of production, labor-saving machinery, advanced processes for treatment of product, skill in distribution, no longer represent advantages upon which any part of the world need possess an exclusive monopoly.

The developments of modern science and industry have brought the different parts of the world together in many ways. Methods which only a few years ago were confined to New York, or London, or Paris, or Hamburg, now are being applied in the Soudan, in Manchuria, and among the savages of Borneo and the Philippines.

The point of all this is that the past and present of American cotton, splendid though they be, do not provide sufficient assurance concerning its future to justify anything like the recently developed tendency to concede to it preferential treatment as regards price, without any particular reference to the effect upon national resources or even upon the possible future of cotton itself.

In the development of this tendency, three elements have been concerned—one, the Government which, for some reason not generally understood, has seen fit to remove cotton from the operation of price-fixing regulations—the other, the cotton producer who talks of holding his crop until there is available a price arbitrarily fixed by him and by many considered unreasonably high—and the third, the banker who by exercising an unusual class of liberality toward the cotton producer, makes it possible for him to hold his cotton until he can force the market upon which he has set his mind.

It should not be difficult to appreciate the danger which will find expression in a too free operation of this tendency. Expressed in plain English, it means conceding to a certain class of American producers the right to develop a corner in one of the country's most important staples, and one in which national interest both during the war and after it, is seriously concerned.

The possibilities of harm naturally resulting from this ultra-liberal, Governmental attitude toward cotton would be materially reduced if the banks engaged in financing cotton would regard that agricultural product in the same light as all banks should regard the financing of all agricultural products during the war, by encouraging rather than retarding free movement to market.

Of course, the most important element in this situation is the cotton producer himself. If his attitude is a correct one, neither Governmental nor banking errors of judgment can do serious harm. If he has a proper conception of his duty in the present crisis, and his conduct along every other war line indicates that he has, or if he is able even to read the signs of the times correctly and to see how definitely world conditions which have been brought out by the war bear upon the future of his cotton, he will not make the mistake of insisting upon a temporary advantage which immediately may work to the detriment of the national interest, and ultimately almost certainly to the detriment of his own.

While in the treatment of the financial aspect of cotton, the immediate interest of our nation in the war must receive first consideration, it is almost equally important that we do not neglect the future of this great staple which has played such an important part in American trade and in American financial life, and which has meant so much to the people of the great South.

If we could look ahead and see in active operation the audacious plans for the future upon which even now the warring nations of Europe are engaged, we might find much which would disturb our present sense of commercial security. We might see that which would force us to realize that it is a short-sighted business policy, which, in effect, offers inducements to a class of competition which cannot be met successfully. We might discover, for illustration, that in the high price of cotton we now enjoy, or in the higher price which has been demanded, there is to be found the germ of an impulse which, when carried to its logical conclusion, would array against our cotton interests, combinations of intelligence and population and soil and climate, which would be irresistible.

It is not necessary to be an expert upon cotton to realize that these dangers which threaten American cotton are real dangers, or to see how easily they might be made imminent by ill-advised action upon our part in the present exceedingly difficult situation. If, in our war-created zeal to promote the interest of cotton, we exaggerate its importance among our agricultural products, or develop it to the exclusion of lines which mean more in the national life, we shall be guilty of an error which will find disagreeable expression in our after-the-war economic condition, and which even may affect our interests in the war itself.

If, in our anxiety to take fullest advantage of the favors which war has conferred upon our commerce, we create so conspicuous a demonstration in favor of cotton, and high prices for cotton, as to spur other nations to a supreme effort to compete with American cotton, we shall be guilty of an error which will find its most disagreeable expression in injury to American cotton itself and to the interests of those naturally most concerned in its welfare.

Whether it is to be cotton, or other crops, the South of the future in order to keep the cost of production of staples within the limits which the trade of normal times requires, and which will be necessary if these Southern staples are to hold their place in the markets of the world—must confine itself largely to a class of agricultural production which will use a much smaller proportion of labor than that required by cotton either now or in the past, and which will make possible a greatly increased utilization of labor-saving machinery.

Of course, this means extreme diversification of products—not mere rotation of crops—such as proper treatment of the soil requires—not an occasional shifting about in obedience to the whims of temporary market conditions—but intelligent, broad-gauged, world-sized diversification, based upon a sound understanding of the best continuing producing possibilities of the South, and including the producing possibilities of every foreign nation which reasonably may be viewed as a competitor, active or potential.

Whether we consider the financial aspect of cotton, or wheat, or steel, or any other of our great staples, the case is the same, the lesson to the

individual and his obligation are clear. Whether he produce, or finance, or govern, his first and most important obligation is to do everything in his power to promote the development of a greater national production and, after that, to use every effort and make every sacrifice to the end that this production may play its greatest part in our greatest national enterprise—to win the war.

U. S. APPROVES ACTION OF PERU IN BREAKING OFF RELATIONS WITH GERMANY.

The United States Government took official cognizance of the action of the Peruvian Government in severing diplomatic relations with Germany, when on Oct. 15 Secretary of State Lansing instructed the American Minister at Lima to transmit to the Peruvian Minister for Foreign Affairs, Francisco Tudela, a message facilitating Peru on its break with Berlin. Secretary Lansing's message was written in reply to a note from the Peruvian Minister which said:

To the Secretary of State of the United States, Washington, D. C.

Your Excellency—From the beginning of the great war, in which the most powerful peoples of the world are involved, the Peruvian Government has strictly performed the duties imposed upon it by international law and has loyally maintained the neutrality of the Republic, trusting that its neutral rights would in turn be respected by the belligerents. But when the conflagration spread to the American continent, notwithstanding the efforts exerted for nearly three years by the United States Government to keep that great people out of the conflict, Peru was confronted by new duties springing from its passionate desire for the continental solidarity that has ever been the goal of its foreign policy, and by the necessity of defending its rights from the new form of maritime warfare set up by Germany.

That was the reason why, on receiving notice of the belligerency of the United States caused by the proceedings of the Berlin Government in violation of international law, the Peruvian Government, far from declaring itself neutral, recognized the justice of the stand taken by the Washington Government. And for the same reason the President of Peru, in his message to Congress, and the minister for foreign affairs, in the Chamber of Deputies, with the express approval of the Parliament, solemnly affirmed the adherence of our country to the principles of international justice proclaimed by President Wilson.

It was the Peruvian Government's wish that the policy of the whole continent be a concerted ratification of the attitude of the Washington Government, which took up the defense of neutral interests and insisted on the observance of international law. But the course of events did not result in joint action; each country shaped its course in defense of its own invaded rights as it was individually prompted in its adherence to the principles declared by the United States.

Peru, for its part, while endeavoring to give prevalence to a uniform continental policy, maintained with the utmost firmness the integrity of its rights as a sovereign nation in the face of Germany's disregard of the principles of naval warfare. It was the defense of those rights which led it to sever its diplomatic relations with the Imperial Government as the result of an outrage for which it duly but vainly claimed appropriate reparation: the sinking of the vessel *Lorton* by a German submarine on the coast of Spain while the ship was plying between neutral ports, engaged in a lawful trade, without infringing even the German rules respecting closed zones—unknown to international law.

The reluctance of the Imperial Government to meet our just demands according to the general principles of international law; the very arbitrary rules laid down by that Government; and the unsuccessful presentation of a precedent in an analogous claim favorably entertained by it—these are the facts in which Peru reads the complete lack of justice that marks the course of the German Government's policy and the sound foundation there is for the effort to check that policy, so as to establish in the world a juridical standard that will forever cause justice to prevail in international relations.

The contents of this message and the documents which I shall forward to your excellency will enable your Government to acquaint itself with the fundamental grounds upon which our attitude rests, and also with the negotiations with Germany above referred to, which the Government has now brought to an end by recalling the minister of the Republic at Berlin and delivering his passports to the representative of Germany at this capital, with the express approval of the Parliament.

I avail myself of this opportunity to tender to your excellency the assurances of my high and distinguished consideration.

FRANCISCO TUDELA.

Secretary Lansing's reply read as follows:

The Government of the United States has received from the Minister for Foreign Affairs of Peru through the Peruvian Minister in Washington a statement under date of Oct. 6 1917, in which it is set forth that the Peruvian Government after having vainly endeavored to procure from the German Government a settlement of its claim for the sinking of the Peruvian bark *Lorton* in violation of the fundamental principles of international law, was compelled to exact of the Imperial German Government a satisfactory solution of the question within eight days, and, that solution having been declared an absolute impossibility by the German Government within a peremptory term, the Peruvian Government had resolved to break diplomatic relations with Germany and had taken the appropriate measures to that end.

This declaration has been received on the part of the Government of the United States with a mingled sentiment of sympathy and pride; sympathy, because another country has been forced by aggression to take this decisive step, and pride, because another American nation has thus declared its adherence to the principles of justice in relation to American peoples which is the basis of American solidarity.

Dispatches from Lima on Oct. 12 stated that the Peruvian Government had granted the use of its ports to a British squadron, and that President Pardo of Peru had been thanked by the British Minister at Lima for the extension of this privilege.

Advices from Santiago, Chile, on Oct. 16 stated that the Chilean Foreign Minister in replying to a note sent by the Peruvian Government announcing the severance of diplomatic relations with Germany, declared that Peru's action

was applauded by Chile. The Chilean Foreign Minister also added that his Government was gratified by the course taken by Peru, as, he said, it was a further step toward the unification of the South American republics.

THE NEW CAPITAL CLAIMS OF PUBLIC UTILITY CONCERNS.

Frank L. Dame of New York City, a member of the executive committee of the Republic Railway & Light Co., has made an earnest plea on behalf of electric utility investments, urging that the services which the electric companies render to the public through conserving capital and fuel, should entitle their securities to especial consideration when the second Liberty Loan is out of the way, in case the question of prior rights of issue shall become an acute matter. The "Electrical World" of October 5th supports this view in its leading editorial article. No public utility it is pointed out can adequately meet the needs of a rapidly growing community without the ability to raise new capital.

The "Electrical World" in the article in question says: "This question of priority in financing is vital for utilities. It affects particularly the electric central station industry because of the unusually large rate of annual growth of that industry, the public nature of its indispensable service, and the great proportion of its output which energizes industries mobilized in the war against the German government. Central station capital needs are associated too intimately with the true public interest to be set aside lightly for other industries remotely connected with the war or wholly detached from the war. Likewise is the central station too effective in the conservation of energy and fuel to have its claims coolly disregarded in favor of any spendthrift user of coal." In his claim for priority of capital for electric light and power companies Mr. Dame says in part:

Taking first, for illustration, the case of a manufacturer requiring, say, 3,000 to 5,000 k.w. He would undoubtedly install a power plant to generate electricity for distribution through his factory if at all modern in his methods. While the cost to the central station using much larger units to serve him, would probably be \$150 per k.w. at present prices, the cost to the manufacturer would be, say \$200 per k.w., without adequate reserve. This would mean a saving in capital of \$50 per k.w., or \$50,000 for 1,000 k.w.—33 1-3% of the capital required by the central station. As we come to smaller units the disparity will increase.

Similarly in the matter of operation, it is probably safe to say that there will be at least 1/2 pound of coal per k.w.h., after allowing for transmission losses in favor of the central station over the manufacturer referred to above. At 60% load factor this amounts to over 1 1/2 tons of coal per k.w. per year, or for 1,000 k.w. to 1,500 tons per year.

EDUCATION THROUGH ADVERTISING.

"Education Through Advertising" was the theme of an address by Guy W. Cooke, advertising manager of the First National Bank of Chicago, and President of the Financial Advertisers' Association, before the Nebraska Bankers' Association at Omaha on Oct. 11. "When the work of the whole world is war, it would be futile," said Mr. Cooke, "to talk of bank advertising, did not finance play so important a part in the destiny of nations, and publicity so important a part in finance." We quote below some of the observations made by Mr. Cooke:

The advent of advertising as a business force is comparatively recent, and men of finance, by vocation and training conservative to a degree, were among the last to recognize this force as applicable to their business. Within the memory of bankers still active any direct invitation to do business was looked upon with a feeling almost akin to horror. New business came, if at all, hat in hand. Proffered accounts were accepted as a favor to the depositor. That the relation was one of mutual interest and advantage seemed lost in the impressive dignity with which the banker surrounded himself.

Twenty-one years ago the education of the American people in money and economics was undertaken by the financial interests of the country to defeat the propaganda for the free coinage of silver, then the paramount issue in national politics. With the elimination of that economic fallacy bankers dropped the educational work so well begun and left the great mass of people a living example of the truism, "A little knowledge is a dangerous thing." That the work was worth while needs no argument, but the cessation of educational activity after the dominant need had passed unquestionably was an error. The one thing that saved the financial honor of the country was the appeal to honesty. Few Americans, when the fact was brought home to them, wanted to compromise their debts on a 52-cents-on-the-dollar basis.

Last spring came another crisis—the placing of Liberty Loan bonds in the hands of American people forced upon the financial interests the necessity of another campaign again educational in nature. We are now engaged in still another such campaign, forced to build from the very beginning, since a vast majority of people bear about the same relation to economics that a mule does to motive power. Sheer force of argument, personal and printed, made the first loan a success. Few people realize how much hard work a truly popular bond issue requires. The oversubscription was the result of an unprecedented campaign of advertising and education. Every method of attracting public attention was laid under contribution. Authoritative estimates placed the cost at upward of \$5,000,000, though the Government spent less than 10% of the sum.

BANKING AND FINANCIAL NEWS.

The sales of bank stock at the Stock Exchange this week aggregate 84 shares. No trust company stocks were sold at auction. A sale of 75 shares of Security Bank stock was made at auction at 10. The Security Bank in July 1915 was absorbed by the Century Bank, which was merged into the Chatham & Phenix National Bank in September 1915.

Shares.	BANK—New York.	Low.	High.	Close.	Last previous sale.
84	Nat. Bank of Commerce-----	160	162	162	Oct. 1917—165

Two New York Stock Exchange memberships were reported posted for transfer this week, the consideration being \$46,000 and \$45,000, respectively. Last week two memberships were reported posted for transfer, one for \$50,000 and the other for \$48,000, previous to which the last sale was at \$50,000.

The Governors of the New York Stock Exchange, in view of the action of the President in appointing Oct. 24 as Liberty Loan Day and calling upon the people to assemble in their respective communities on that day and pledge the Government their fullest measure of financial support, on Oct. 18 decided to suspend business at noon Oct. 24, Liberty Loan Day. Similar action has been taken by the New York Coffee & Sugar Exchange, the New York Cotton Exchange, the Philadelphia Stock Exchange, the Pittsburgh Stock Exchange, the Baltimore Stock Exchange, the Chicago Stock Exchange and the New Orleans Cotton Exchange.

The Bankers Trust Co. of this city has organized a bond department to take care of the growing requirements of its investment clientele. This department is located on the third floor of the company's banking house at 16 Wall Street, and is equipped with all facilities for giving every convenience to customers. A well-organized statistical department will analyze for customers their investment holdings and will make suggestions for exchange where it seems advisable. The department also stands ready to make suggestions in regard to new investments.

Baron Fairfax of Cameron, formerly Albert Kirby Fairfax, member of the firm of William P. Bonbright & Co., bankers of this city and London, who in 1908 relinquished his American citizenship to establish his claim to the "title, honor and dignity of the Twelfth Baron of Fairfax," was on the 10th inst. elected by the Scottish Peers to sit and vote in the British House of Lords.

The Comptroller of the Currency has approved an increase of \$500,000 in the capital of the Irving National Bank of this city, raising it from \$4,500,000 to \$5,000,000.

The address of James M. Beck, entitled "The Fateful Hour," delivered on Oct. 3 1917 before the Stock Exchange Liberty Loan Committee, has been reprinted in pamphlet form and is now being distributed by the Fulton Trust Co. of this city to its depositors, with the request that they subscribe to the second Liberty Loan.

Mortimer J. Fox has been elected a Vice-President of the Columbia Bank of this city, effective Nov. 1. Mr. Fox has for the past twenty years been a member of the architectural firm of Buchman & Fox of this city, from which he will resign upon taking up his new position. He is a son of Joseph Fox, Chairman of the Board of the Columbia Bank, who in January 1916 retired from the presidency of the bank, an office he had held for twenty-seven years.

The Broadway Trust Co. of this city has declared a special dividend of 3 1/2% along with the regular quarterly distribution of 2%, both payable Nov. 1 to holders of record Oct. 23.

Nelson Dean Jay, Vice-President of the Guaranty Trust Co. of this city, has been commissioned a captain in the Quartermaster's Department of the Army and will leave shortly for France. Mr. Jay received his commission, it is said, at the request of Lieutenant-Colonel Charles G. Dawes, President of the Central Trust Co. of Chicago, now attached to General Pershing's staff in France. Mr. Jay has been active in floating both the present and first Liberty Loan issues, having been a member of the committee in charge of distribution. He became connected with the Guaranty

Trust Co. in 1915 as manager of its bond department, and was elected a Vice-President of the institution in November 1916. He is thirty-four years old, and is the 214th employee of the Guaranty Trust Co. to enter the service of the United States in the present war. Prior to coming to New York in 1915 Mr. Jay was Vice-President of the First National Bank of Wisconsin.

The Bankers Trust Co. of this city, in connection with the second Liberty Loan campaign, has issued a pamphlet of 32 pages, entitled "Our United States." This pamphlet has been published with a view to answering in a quick and concise way the many questions which the company has received regarding the Liberty Loan and also to give a comprehensive idea of the vast wealth and resources of the country, the indebtedness of the Government and the nature of Government obligations. Copies can be procured on applying to the bond department.

Clarence M. Wooley, President of the American Radiator Co., has been elected a trustee of the New York Trust Co. of this city.

Walter B. Poggenburg has been elected Cashier of the Bank of Washington Heights, 1915 Amsterdam Ave., this city.

Andrew Moreland, who has been in charge of the examining force for the Eastern District of the New York State Banking Department for several years and who was formerly Secretary of the American Institute of Banking, has been chosen a Vice-President of the Adirondack Trust Co. of Saratoga Springs, N. Y. Clark Williams when Superintendent of Banks appointed Mr. Moreland bank examiner and in 1911 he was given charge of the Eastern District of this State by Superintendent Geo. Van Tuyl Jr. Mr. Moreland was born in Charleston, S. C. He will assume his new duties on Nov. 1.

The State Trust Co. of Plainfield, N. J., of which E. F. Feikert is President, has recently issued a handsomely illustrated booklet descriptive of the organization and building of the company. The State Trust Co. began business in September 1910. It has a capital of \$100,000, and on a recent date reported surplus and undivided profits of \$83,586, and deposits of \$1,600,564.

The Fidelity Trust Co. of Boston has moved from the second floor of the Board of Trade Building, where it has heretofore carried on business, to the ground floor of its newly erected building at 148 State Street. The vaults of the bank and those of the safe deposit department are equipped with modern and efficient fireproof and burglar-proof devices and protected by a huge steel door weighing seventeen tons.

The directors of the Easton National Bank, of Easton, Pa., have elected James V. Bull President, succeeding the late William Hackett. W. Clayton Hackett, Senator from Pennsylvania, has been elected Vice-President, replacing D. Nevin, resigned. William H. Heil has been appointed Assistant Cashier. Frank Sletor is also an Assistant Cashier. Henry G. Siegfried, Cashier of the Easton National, has been elected a director to fill the vacancy due to the death of the late William Hackett.

The board of directors of the Columbia National Bank of Pittsburgh at a meeting on Monday, Oct. 1, authorized \$100,000 transferred from undivided profits to surplus account. After this change the Columbia National Bank's statement shows capital of \$600,000, surplus of \$900,000 and undivided profits of \$123,000.

On Oct. 15 the depositors of the defunct First National Bank, of Uniontown, Pa., which closed its doors on Jan. 18 1915, were paid a 10% dividend, amounting to \$125,556. Including the present dividend of 50% has been paid to depositors since the bank closed.

Frank W. Hausmann, Vice-President and Cashier of the Noel State Bank of Chicago, was elected a director of the institution at the regular meeting of the board on the 10th inst. Mr. Hausmann has been identified with the bank since early in 1906, and, next to Mr. Noel, the President, is the senior in the service of that bank.

William F. Foos, President of the Springfield National Bank, of Springfield, Ohio, died at his home in that city on Oct. 5. Besides his banking relations, Mr. Foos was also interested in many manufacturing concerns, including the Springfield Coal & Ice Co., and Mast, Foos & Co. Mr. Foos had retired from active business for several years and had been confining his activities to operating Foosland, a large dairy farm seven miles from Springfield.

Active work has been begun by Hoggson Brothers, the New York and Chicago builders, on the new building for the First State Bank of Pittsburg, Kan. The First State Bank was organized in 1903 by the late James Patmor, then the senior banker of Crawford County in point of number of years actively engaged in the banking business. The bank was organized with a capital of \$25,000. James Patmor died in December 1909, and Jay N. Patmor, his son, who had been Cashier, was elected to the Presidency of the bank in January 1910. C. G. Henderlider became Cashier at the time. Mrs. Bertha A. Patmor, widow of the founder of the bank, is Vice-President. The First State Bank increased its capital from \$25,000 to \$50,000 on March 16 1912 and created a surplus of \$25,000. The resources of the bank are now reported as \$850,000.

The National Bank of South Africa, Ltd., has established a branch at Tabora, German East Africa, in territory conquered by the British. The bank already has opened branches at Dar-es-Salaam and Tanga, two other important cities in the former German colony. The National Bank of South Africa, Ltd., has a New York branch at 10 Wall Street. R. E. Saunders is the New York Agent.

The Ionian Bank, Ltd. (head office, 25 Abchurch Lane, London, E.C.) having its own branches and correspondents throughout Greece, calls attention to the fact that it offers exceptional facilities for banking business in that country, and particularly places its services at the disposal of members of the American naval and military forces. The bank has a capital of £485,580, and operates eleven branches in Greece. It also has nine branches and sub-branches in Egypt.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of Sept. 20 1917:

GOLD.

The Bank of England gold reserve against its note issue shows an increase of £496,465, as compared with last week's return. New York reports that gold to the value of \$1,000,000 has been engaged for shipment to South America. An attempt to ship £10,000 in gold to Spain without license has been frustrated by the United States customs authorities. It would appear from this that the prohibition of bullion exports from America, except under license, to which we referred last week, is already operative.

SILVER.

Supplies have again proved insufficient to satisfy the demand, as a consequence of which further advances have taken place in the price of silver. The quotation has risen by leaps of $\frac{1}{2}$ d. and 1d. to 54d., the figure quoted to-day, a rise of 4d. during the week and the highest price since Sept. 1890.

The United States Consul-General at Hongkong stated in a recent report that: "The shortage of silver, due to excessive exports of the white metal following the high prices abroad, and the desire of the Chinese to speculate in gold exchange, which has been felt for more than a year, is being accentuated by a shortage of copper and brass coins due to the exports of such coins as metal."

The last three Indian currency returns received by cable give details as follows:

(In lacs of rupees.)	Aug. 31.	Sept. 7.	Sept. 15.
Notes in circulation	105.15	105.72	105.86
Reserve in silver coin and bullion	29.00	28.79	28.84
Gold coin and bullion in India	12.12	13.28	13.73
Gold in England	2.55	2.17	1.80

The stock in Bombay on the 18th inst. consisted of 3,300 bars, as compared with 2,100 bars on the 4th inst. The stock in Shanghai on Sept. 15 1917 consisted of about 22,000,000 ounces in sycee and \$15,000,000, as compared with about 22,200,000 ounces in sycee and \$15,000,000 on Sept. 8 1917.

Quotations for bar silver per ounce standard:

Sept. 14	51	cash	Sept. 20	54	cash
"	51	"	"	52.33	Average
"	52	"	"	5%	Bank rate
"	52 $\frac{1}{2}$	"	"	77s. 9d.	Bar gold, per oz. standard
"	53 $\frac{1}{2}$	"			

The quotation to-day for cash delivery is 4d. above that fixed a week ago.

We have also received this week the circular written under date of Sept. 27 1917:

GOLD.

The Bank of England gold reserve against its note issue shows an increase of £398,865, as compared with last week's return. During the week New York has announced outgoings of gold to the value of \$1,000,000, half of which has been sent to Canada and half engaged for shipment to Japan.

The following was received from Washington under date Sept. 24: "Acting under the President's recent gold embargo proclamation, the Treasury officials have virtually decided to prohibit the export of gold to Spain. It has been disclosed that between Jan. 1 and Sept. 1 of this year \$17,600,000 was exported to Spain, the largest amount in any similar period. This has adversely affected the trade balance, which on Sept. 1 was in favor of the United States to the extent of \$10,000,000."

Another interesting gold movement now taking place is the transfer of substantial amounts from Holland to Switzerland. The indirect effect has been to lower the exchange on London in Amsterdam and to raise the value of the pound sterling in Switzerland.

SILVER.

The 21st inst. saw a rise of 1d., which brought the price to 55d., a figure that has not been exceeded since February 1878. This price was maintained until yesterday, when a fairly considerable amount was offered, producing a fall of 1d., and was followed by a further fall to-day to 51½d.

The high prices now ruling, combined with certain vague rumors as to what America is going to do or not going to do with its large stock of coined silver dollars, has induced most of the few remaining private holders to realize the bulk of their stocks with the result that during the last few days more silver has been on offer than for some time past and many long-standing buying orders have been able to be filled. This, combined with an almost complete cessation of the Chinese demand, has produced the first setback in the price of silver that has occurred since it started its phenomenal upward run just two months ago. Up to the present this setback has been small in comparison with the great rise that has taken place, and we must also bear in mind that if the coinage and industrial demands continue on the same scale as recently there may be the same difficulty in meeting it, in view of the fact that private holders are practically cleared out. Still for the moment there do not appear to be many unsatisfied demands.

The last three Indian currency returns received by cable give details as follows:

(In lacs of rupees.)	Sept. 7.	Sept. 15.	Sept. 22.
Notes in circulation	105.72	105.86	107.07
Reserve in silver coin and bullion	28.79	28.84	28.57
Gold coin and bullion in India	13.28	13.73	15.22
Gold in England	2.17	1.80	1.80

The stock in Bombay on the 25th inst. consisted of 3,300 bars, the same as reported on the 18th inst. The stock in Shanghai on the 22d inst. consisted of about 23,500,000 ounces in sycee and \$14,900,000, as compared with about 22,000,000 ounces in sycee and \$15,000,000 on the 15th inst.

Quotations for bar silver per oz. standard:

Sept. 21	55 cash	Sept. 27	51½ cash
" 22	55 "	" Average	54.25
" 24	55 "	" Bank rate	5%
" 25	55 "	" Bar gold, per oz. standard	77s. 9d.
" 26	54 "		

No quotation fixed for forward delivery.

The quotation today for cash delivery is 2½d. below that fixed a week ago.

ENGLISH FINANCIAL MARKETS—PER CABLE.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

London, Oct. 13.	Oct. 15.	Oct. 16.	Oct. 17.	Oct. 18.	Oct. 19.
Week ending Oct. 19.	Sat.	Mon.	Tues.	Wed.	Thurs.
Silver, per oz. d. 44*	43½	43½	43½	42½	42½
Consols, 2½ per cents.	56	56	56½	56½	56½
British 5 per cents.	95	95½	95½	95½	95½
British 4½ per cents.	100½	100½	100½	100½	100½
French Rentes (in Paris) fr.	61.25	61.20	61.50	62.00	62.25
French War Loan 5% (in Paris) fr.	88.45	88.40	88.50	88.55	---

The price of silver in New York on the same days has been:

Silver in N. Y., per oz. cts. Holiday	86¼	85¼	84¼	84¼	83¼
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* The price of silver on Friday, Oct. 12, not given in our issue of last week, was 45¼d.

FINANCIAL STATEMENT OF U. S. JUNE 30 1917.

(Formerly Issued as "Statement of the Public Debt.")

The following statements of the public debt and Treasury cash holdings of the United States are as officially issued as of June 30 1917. This statement was not made public until Oct. 15 on account of the enormous financial transactions in which the Government has been engaged, and is given here as a matter of record.

CASH AVAILABLE TO PAY MATURING OBLIGATIONS.

Balance held by the Treasurer of the U.S. as per daily Treasury Statement for June 30 1917	\$1,064,086,250 83	Settlement warrants, coupons and checks outstanding	\$4,137,066 55
Add—Net excess of receipts over payments in June reports subsequently received	55,678,280 85	Treasury warrants	570,330 79
Revised balance	\$1,119,764,531 68	Matured coupons	357,454 86
		Interest checks	47,716,318 41
		Disbursing officers' checks	1,066,983,361 07
		Balance	\$1,119,764,531 68

PUBLIC DEBT BEARING NO INTEREST.

(Payable on presentation.)

Obligations required to be released when redeemed:	
United States notes	\$346,681,016 00
Less gold reserve	152,979,025 63
Excess of notes over reserve	\$193,701,990 37
Obligations that will be retired on presentation:	
Old demand notes	53,152 50
National bank notes and Federal Reserve bank notes assumed by the U. S. on deposit of lawful money for their retirement	48,235,167 00
Fractional currency	6,846,568 15
Total	\$248,836,878 02

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

(Payable on presentation.)

Funded loan of 1891, continued at 2%, called for redemption May 18 1900; interest ceased Aug. 18 1900	\$4,000 00
Funded loan of 1891, matured Sept. 2 1891	20,950 00
Loan of 1904, matured Feb. 2 1904	13,050 00
Funded loan of 1907, matured July 2 1907	506,100 00
Refunding certificates, matured July 1 1907	11,560 00
Old debt matured at various dates prior to Jan. 1 1861, and other items of debt matured at various dates subsequent to Jan. 1 1861	900,970 26
Certificates of Indebtedness, at 3%, matured June 30 1917	12,775,600 00
Total	\$14,232,230 26

INTEREST-BEARING DEBT.

(Payable on or after specified future dates.)

Title of Loan	Interest Payable.	Amount Issued.	Registered.	Outstanding June 30 1917.	Coupon.	Total.
2s, Consols of 1930	Q-J.	\$846,250,150	597,184,900	2,539,150	599,724,050	
3s, Loan of 1908-1918	Q-F.	\$198,792,660	47,773,400	16,172,060	63,945,460	
4s, Loan of 1925	Q-F.	\$162,315,400	101,467,400	17,022,150	118,489,900	
Panama Canal Loan:						
2s, Series 1906	Q-F.	\$54,631,980	48,944,040	10,140	48,954,180	
2s, Series 1908	Q-F.	\$30,000,000	25,793,520	153,880	25,947,400	
3s, Series 1911	Q-M.	50,000,000	41,633,500	8,366,500	50,000,000	
3s, Conversion bonds	Q-J.	28,894,500	5,974,000	22,920,500	28,894,500	
3s, One-yr. treas. notes	Q-J.	27,362,000	1,270,000	26,092,000	27,362,000	
3s, Certs. of Indebt. Matur.		468,205,000	---	61,306,032	61,306,032	
3½s, Certs. of Indebt. Matur.		400,000,000	---	211,551,100	211,551,100	
3½s, Liberty L'n 1917 J-D		\$1466,335,094	---	---	1,466,335,094	
Postal Savings bonds:						
2½s, 1st to 11th series J-J.		9,151,800	8,329,980	821,820	9,151,800	
2½s, '17-'37, (12th ser.) J-J.		887,960	801,260	86,700	887,960	
Aggregate of Int.-bear. dt.		3,542,826,544	879,172,350	367,042,032	2,712,549,476	

a Of this amount \$24,648,100 have been converted into conversion bonds and \$21,878,000 into one-year Treasury notes.

b Of this original amount issued \$132,449,900 have been refunded into the 2% consols of 1930 and \$2,396,800 have been purchased for the sinking fund and canceled and \$500 have otherwise been purchased and canceled.

c Of this original amount issued \$43,825,500 have been purchased for the sinking fund and canceled.

d Of this original amount issued \$2,238,800 have been converted into conversion bonds and \$3,439,000 into one-year Treasury notes.

e Of this original amount issued \$2,007,600 have been converted into conversion bonds and \$2,045,000 into one-year Treasury notes.

f This amount represents receipts on account of principal of Liberty Loan bonds to June 30.

RECAPITULATION.

GROSS DEBT.	NET DEBT.
Debt bearing no int.	\$248,836,878 02
Debt on which interest has ceased	14,232,230 26
Interest-bearing debt	2,712,549,476 61
Gross debt	2,975,618,584 89
	*Net debt
	1,908,635,223 82

* The amount of \$885,000,000 has been expended to above date from the proceeds of sales of bonds authorized by law for purchase of the obligations of foreign Governments. When payments are received from foreign Governments on account of the principal of their obligations, they must be applied to the reduction of the bonded debt of the United States.

ANTHRACITE COAL SHIPMENTS.—The shipments of anthracite coal for the month of September 1917, as reported to the Anthracite Bureau of Information at Wilkes-Barre, Pa., amounted to 6,372,756 tons, comparing with 5,544,076 tons shipped in September 1916. The shipments for the nine months of 1917 amounted to 57,778,097 tons, an increase of 7,847,681 tons, or 15.7% over the corresponding period of last year. Below we give the shipments by the various carriers for September 1917 and 1916 and for nine months ending September 30 this year and last:

Road	1917.	1916.	Jan. 1 to Sept. 30—1917.	1916.
Philadelphia & Reading	1,246,100	1,071,303	11,053,797	9,394,704
Lehigh Valley	1,258,922	1,053,756	10,501,351	8,936,442
Central Railroad of New Jersey	686,717	627,975	6,250,089	5,302,548
Delaware Lackawanna & Western	973,529	931,610	9,278,349	7,758,383
Pennsylvania	698,731	551,665	6,349,672	5,285,548
Erie	422,482	480,266	4,274,475	4,472,634
New York Ontario & Western	717,129	495,631	6,668,964	5,786,255
Lehigh & New England	155,886	175,329	1,511,892	1,503,475
Total	*217,260	*156,541	*1,889,508	*1,500,427

Total 6,372,756 5,544,076 57,778,097 49,930,416
* After deducting (to avoid duplication) tonnage delivered to the Central R.R. of New Jersey at Hauto by the Lehigh & New England R.R., and included as part of the tonnage of the latter. This amounted to 127,136 tons in Sept. 1917 (against 92,084 tons in Sept. 1916) and to 1,013,240 tons for the nine months ending Sept. 30 1917; in 1916 this tonnage was included only in June, July, August and September and amounted to 328,807 tons.

LAKE SUPERIOR IRON ORE SHIPMENTS.—The shipments of Lake Superior iron ore during the month of September 1917 were 9,536,152 tons. This compares with 10,146,786 tons in August 1917, a decrease of 610,634 tons, and with 9,600,786 tons in September 1916, a decrease of 64,634 tons. The total shipments for the season to October 1 1917, 46,059,706 tons, are 2,756,944 less than for the same period last year, when they were 48,816,650 tons, but exceed the total, 34,669,566 tons, in 1915 by 11,390,140 tons.

Below we compare the shipments from different ports for Sept. 1917, 1916 and 1915 and for the season to Oct. 1:

	1917.	1916.	1915.	Season to Oct. 1—1917.	1916.	1915.
Escanaba	1,078,531	922,517	1,015,820	5,167,722	5,630,994	4,011,682
Marquette	509,754	557,140	539,879	2,408,816	3,026,845	2,313,532
Ashland	1,19,297	1,255,328	1,028,363	5,625,209	6,051,712	3,829,582
Superior	2,174,530	1,945,171	1,557,935	10,376,746	9,760,966	5,997,023
Duluth	3,190,347	3,455,611	2,428,689	15,189,368	16,174,159	11,807,219
Two Harbors	1,383,693	1,465,019	1,292,460	7,291,845	8,171,974	6,710,528
Total	9,536,152	9,600,786	7,863,146	46,059,706	48,816,650	34,669,566

Commercial and Miscellaneous News

DIVIDENDS.

The following shows all the dividends announced for the future by large or important corporations:

Dividends announced this week are printed in italics.

Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
Railroads (Steam).			
Aetehson Topeka & Santa Fe, com. (qu.)	1½	Dec. 1	Holders of rec. Nov. 2a
Atlantic Coast Line RR., pref. (quar.)	2½	Nov. 10	Oct. 29 to Nov. 10
Central RR. of N. J. (guar.)	2	Nov. 1	Holders of rec. Oct. 27a
Cincinnati Sandusky & Cleve., pref. (qu.)	\$1.50	Nov. 1	Oct. 21 to Nov. 1
Cleve. Cin. Chic. & St. Louis, pref. (qu.)	1¼	Oct. 20	Holders of rec. Sept. 28a
Delaware Lackawanna & Western (quar.)	\$1.25	Oct. 20	Holders of rec. Oct. 5a
Elmira & Williamsport, common	2.26	Nov. 1	Holders of rec. Oct. 20a
Fl. Dodge Des Mot. & So., com. & pf. (qu.)	1¼	Nov. 1	Holders of rec. Oct. 20a
Georgia Southern & Florida 1st & 2d pref.	2½	Nov. 8	Holders of rec. Oct. 30a
Great Northern (quar.)	1¼	Nov. 1	Sept. 22 to Oct. 12
Illinois Central (quar.) (No. 128)	1½	Dec. 1	Holders of rec. Nov. 5a
Extra	1	Dec. 1	Holders of rec. Nov. 5a

Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.	Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
Railroads (Steam) Concluded				Miscellaneous (Concluded).			
Nashua & Lowell.	4 1/2	Nov. 1	Holders of rec. Oct. 15a	Gaston, Williams & Wigmore, Inc. (quar.)	\$1 1/2	Nov. 15	Holders of rec. Nov. 1
New York Central RR. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 8a	General Chemical, common (quar.)	2	Dec. 1	Holders of rec. Nov. 21
Norfolk & Western, adj. pref. (quar.)	1	Nov. 19	Holders of rec. Oct. 31a	General Cigar, Inc., common (quar.)	1	Nov. 1	Holders of rec. Oct. 25
Northern Pacific (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 8a	General Motors Corp., common (quar.)	3	Nov. 1	Holders of rec. Oct. 15a
Pere Marquette, prior preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15a	Preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15a
Reading Company, common (quar.)	\$1	Nov. 8	Holders of rec. Oct. 23a	Goodrich (B. F.) Co., common (quar.)	1	Nov. 15	Holders of rec. Nov. 5a
First preferred (quar.)	50c.	Dec. 13	Holders of rec. Nov. 27a	Goodrich (B. F.) Co., common (quar.)	1	Feb. 15	Holders of rec. Feb. 5
Southern Ry., preferred	2 1/4	Nov. 20	Holders of rec. Oct. 31a	Preferred (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 21
Wabash, preferred A (quar.)	1	Oct. 31	Holders of rec. Oct. 11a	Granby Cons. Min., Sm. & P. (qu.) (No. 28)	2 1/2	Nov. 1	Holders of rec. Oct. 19a
Street and Electric Railways.				Great Northern Iron Ore Properties.	\$1	Oct. 20	Oct. 6 to Oct. 21
Albia (Iowa) Light & Ry., pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 20a	Guaranty Securities Corp. (quar.)	2	Oct. 25	Holders of rec. Oct. 22
Bangor Ry. & Elec., com. (quar.) (No. 15)	1 1/2	Nov. 1	Holders of rec. Oct. 20a	Harbison-Walker Refract., pref. (quar.)	1 1/2	Oct. 20	Holders of rec. Oct. 10a
Cape Breton Electric, com. (No. 16)	1 1/2	Nov. 1	Holders of rec. Oct. 15a	Hart, Schaffner & Marx, Inc., com. (qu.)	1	Nov. 30	Holders of rec. Nov. 20a
Preferred (No. 23)	3	Nov. 1	Holders of rec. Oct. 15a	Hercules Powder, pref. (quar.)	1 1/4	Nov. 15	Nov. 6 to Nov. 15
Carolina Power & Light, com. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15	Holly Sugar Corp'n, preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15
Cities Service, com. and pref. (monthly)	1 1/2	Nov. 1	Holders of rec. Oct. 15	Homestake Mining (monthly) (No. 518)	65c.	Oct. 25	Holders of rec. Oct. 20a
Common (payable in common stock)	1 1/2	Nov. 1	Holders of rec. Oct. 15	Houghton Co. Electric Light, com. (No. 25)	62 1/2 c.	Nov. 1	Holders of rec. Oct. 22a
Cities Service, com. and pref. (monthly)	1 1/2	Dec. 1	Holders of rec. Nov. 15a	Preferred (No. 30)	75c.	Nov. 1	Holders of rec. Oct. 22a
Common (payable in common stock)	1 1/2	Dec. 1	Holders of rec. Nov. 15a	Illinois Northern Utilities, pref. (quar.)	1 1/2	Nov. 1	Oct. 21 to Oct. 31
Common and preferred (monthly)	1 1/2	Jan. 1	Holders of rec. Dec. 15a	Indiana Pipe Line (quar.)	\$2	Nov. 15	Holders of rec. Oct. 23
Common (payable in common stock)	1 1/2	Jan. 1	Holders of rec. Dec. 15a	Extra	\$1	Nov. 15	Holders of rec. Oct. 23
Common and preferred (monthly)	1 1/2	Feb. 1	Holders of rec. Jan. 15a	Inspiration Consolidated Copper (quar.)	\$2	Oct. 29	Holders of rec. Oct. 11a
Common (payable in common stock)	1 1/2	Feb. 1	Holders of rec. Jan. 15a	International Nickel, preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 16a
Citic Invest. & Industrial (quar.) (No. 5)	1	Nov. 15	Holders of rec. Oct. 31	InterOcean Oil, first preferred	3 1/2	Nov. 1	Holders of rec. Oct. 20a
Columbus Ry., Pow. & L., com. (qu.) (No. 15)	1 1/4	Nov. 1	Holders of rec. Oct. 15	Isle Royale Copper Co. (quar.) (No. 7)	\$1	Oct. 31	Holders of rec. Oct. 18
Preferred Series B (quar.) (No. 15)	1 1/4	Nov. 1	Holders of rec. Oct. 15	Kayser (Julius) & Co., 1st & 2d pref. (qu.)	1 1/4	Nov. 1	Holders of rec. Oct. 20a
Commonwealth Pow., Ry. & L., com. (qu.)	1	Nov. 1	Holders of rec. Oct. 17a	Kellogg Switchboard & Supply (quar.)	2	Oct. 31	Holders of rec. Oct. 25
Preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a	Kelly-Springfield Tire, common (quar.)	\$1	Nov. 1	Holders of rec. Oct. 15a
Connecticut Ry. & Ltg., com. & pf. (qu.)	1	Nov. 15	Holders of rec. Nov. 1	Kelsey Wheel, Inc., pref. (qu.) (No. 6)	1 1/4	Nov. 1	Holders of rec. Oct. 20
Cumberland Co. Pow. & L., pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a	Kerr Lake Mining (quar.) (No. 49)	25c.	Dec. 15	Holders of rec. Nov. 26a
Detroit United Ry. (quar.) (No. 54)	2	Dec. 1	Holders of rec. Nov. 15a	Keystone Telephone, preferred	\$1.50	Nov. 1	Holders of rec. Oct. 20a
Duquesne Light, pref. (quar.) (No. 11)	1 1/4	Nov. 1	Holders of rec. Oct. 1	La Rose Consolidated Mines (quar.)	5c.	Oct. 20	Sept. 30 to Oct. 7
East St. Louis & Sub. Co., pf. (qu.) (No. 15)	1 1/4	Nov. 1	Holders of rec. Oct. 20	Lima Locomotive Works, Inc., pref.	3 1/2	Oct. 31	Holders of rec. Oct. 24
Lehigh Valley Transit, preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 20	Lindsay Light, common (quar.)	3	Nov. 30	Holders of rec. Nov. 1a
Leviathan Augusta & Waterville, pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a	Common (extra)	17	Nov. 30	Holders of rec. Nov. 1a
Leviathan Augusta & Waterville, pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a	Preferred (quar.)	1 1/4	Nov. 30	Holders of rec. Nov. 1a
Montreal Tramways (quar.)	2 1/2	Nov. 1	Holders of rec. Oct. 15	Loft, Inc. (quar.)	1 1/4	Nov. 1	Oct. 2 to Oct. 31
Philadelphia Co., com. (quar.) (No. 144)	87 1/2 c.	Nov. 1	Holders of rec. Oct. 1a	Massachusetts Gas Co., com. (quar.)	\$1.75	Nov. 1	Holders of rec. Oct. 15
6% Preferred (No. 10)	\$1.70	Nov. 1	Holders of rec. Oct. 1a	Miami Copper Co. (quar.)	\$1.50	Nov. 15	Holders of rec. Nov. 1a
Public Service Invest., pf. (qu.) (No. 34)	1 1/2	Nov. 1	Holders of rec. Oct. 19a	Midvale Steel & Ordnance (qu.) (No. 4)	\$1.50	Nov. 1	Holders of rec. Oct. 20a
Rio de Janeiro Tram., L. & Pow. (qu.)	1 1/4	Nov. 1	Holders of rec. Oct. 15	Midwest Oil, preferred (quar.)	2c.	Oct. 20	Holders of rec. Oct. 1a
Sao Paulo Tram., L. & P. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15	Midwest Refining (quar.) (No. 12)	\$1	Nov. 1	Holders of rec. Oct. 15a
Texas Electric Ry. 2d pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15	Montreal Light, Heat & Power (quar.)	2	Nov. 15	Holders of rec. Oct. 31
Virginia Ry. & Power, common	1 1/4	Oct. 20	Holders of rec. Oct. 1a	Nash Motors, preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 20
West Penn Power, pref. (quar.) (No. 7)	1 1/4	Nov. 1	Oct. 21 to Nov. 1	National Carbon, Inc., common (quar.)	\$1	Nov. 1	Holders of rec. Oct. 20
York (Pa.) Railways, preferred (quar.)	62 1/2 c.	Oct. 30	Holders of rec. Oct. 20a	Preferred (quar.)	2	Nov. 1	Holders of rec. Oct. 20
Banks.				National Lead, preferred (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 23
Corn Exchange (quar.)	4	Nov. 1	Holders of rec. Oct. 31	Nevada-Calif. Elec. Corp., pref. (quar.)	1 1/2	Oct. 30	Holders of rec. Sept. 30
Trust Companies.				New England Fuel Oil of Mass. (quar.)	\$1	Oct. 22	Holders of rec. Oct. 15
Broadway (quar.)	2	Nov. 1	Holders of rec. Oct. 23	New Jersey Zinc (quar.)	1 1/4	Nov. 10	Holders of rec. Oct. 31a
Special	3 1/4	Nov. 1	Holders of rec. Oct. 23	New River Co., preferred (No. 14)	1 1/4	Oct. 25	Holders of rec. Oct. 13
Farmers' Loan & Trust (quar.)	4 1/2	Nov. 1	Holders of rec. Oct. 20a	Nipissing Mines (quar.)	25c.	Oct. 20	Sept. 30 to Oct. 17
Hamilton (Brooklyn) (quar.)	3	Nov. 1	Holders of rec. Oct. 25a	Extra	25c.	Oct. 20	Sept. 30 to Oct. 17
Miscellaneous.				North American Co. (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 15
Alabama Co., 2d preferred	7	Dec. 5	Holders of rec. Nov. 20	North Butte Mining (quar.) (No. 44)	25c.	Oct. 29	Holders of rec. Oct. 11a
Amer. Bank Note, com. (quar.)	1 75c.	Nov. 15	Holders of rec. Nov. 1a	Northern States Power, common (quar.)	1 1/4	Oct. 20	Holders of rec. Sept. 29
American Beet Sugar, common (quar.)	2	Oct. 31	Holders of rec. Oct. 13a	Nova Scotia St. & Coal, com. (pay. com. stk.)	20	Nov. 30	Holders of rec. Nov. 20a
American Brass (quar.)	1 1/4	Nov. 15	Holders of rec. Oct. 31	Ohio Cities Gas, common (quar.)	\$1.25	Feb. 1	Holders of rec. Jan. 15
Extra	4 1/2	Nov. 15	Holders of rec. Oct. 31	Common (payable in common stock)	75	Feb. 1	Holders of rec. Jan. 15
American Cigar, common (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15a	Oseola Consol. Mining (quar.) (No. 88)	\$2	Oct. 31	Holders of rec. Oct. 18
Amer. District Teleg. of New Jersey (quar.)	1	Oct. 29	Holders of rec. Oct. 15a	Pacific Coast Co., com. (quar.)	1	Nov. 1	Holders of rec. Oct. 22a
Amer. Gas & Elec., pref. (quar.) (No. 43)	1 1/4	Nov. 1	Holders of rec. Oct. 20	First preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 22a
American Glue, common	3	Nov. 1	Oct. 20 to Nov. 1	Second preferred (quar.)	1	Nov. 1	Holders of rec. Oct. 22a
Common (extra)	2	Nov. 1	Oct. 20 to Nov. 1	Pacific Development (quar.)	1 1/4	Nov. 15	Holders of rec. Oct. 15a
American Ice, preferred (quar.)	1 1/4	Oct. 25	Holders of rec. Oct. 15a	Pacific Mail SS., pref. (quar.)	1 1/4	Dec. 1	Holders of rec. Nov. 17
Amer. La France Fire Eng., Inc., com. (qu.)	1 1/2	Nov. 15	Holders of rec. Nov. 8a	Pacific Power & Light, pref. (qu.) (No. 29)	1 1/4	Nov. 1	Holders of rec. Oct. 22
Amer. Laundry Machinery, common	1 1/4	Dec. 5	Nov. 26 to Dec. 5	Packard Motor Car, common (quar.)	2	Oct. 31	Holders of rec. Oct. 16a
American Light & Traction, com. (quar.)	2 1/2	Nov. 1	Oct. 11 to Oct. 28	Penmans, Ltd., common (quar.)	1	Nov. 15	Holders of rec. Nov. 5
Common (payable in common stock)	72 1/2 c.	Nov. 1	Oct. 11 to Oct. 28	Preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 20
Preferred (quar.)	1 1/4	Nov. 1	Oct. 11 to Oct. 28	Peoples Natural Gas & Pipeage (quar.)	50c.	Oct. 18	Holders of rec. Oct. 15a
American Locomotive, pref. (quar.)	1 1/4	Oct. 22	Sept. 18 to Oct. 16	Pierce-Arrow Motor Car, com. (quar.)	\$1.25	Nov. 1	Holders of rec. Oct. 15a
Amer. Maltng, 1st & 2d pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 17a	Pittsburgh Brewing, pref. (special)	150c.	Oct. 31	Holders of rec. Oct. 20a
American Navigation (quar.)	30c.	Oct. 20	Holders of rec. Oct. 10	Pittsburgh Coal of New Jersey, pref. (qu.)	1 1/4	Oct. 25	Holders of rec. Oct. 10a
American Shipbuilding, common (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15	Pittsburgh Coal of Penn., pref. (quar.)	1 1/4	Oct. 25	Holders of rec. Oct. 10a
Preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15	Pittsburgh Oil & Gas (quar.)	2	Nov. 15	Nov. 1 to Nov. 15
American Sumatra Tobacco, com. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 25a	Plant (Thomas G.) Co. (quar.) (No. 65)	1 1/4	Oct. 31	Holders of rec. Oct. 17
Amer. Water-Works & Elec., pref. (quar.)	1 1/4	Nov. 26	Holders of rec. Nov. 20	Portland (Ore.) Gas & Coke, pref. (qu.)	1 1/4	Nov. 1	Holders of rec. Oct. 22
Amer. Zinc, Lead & Smelt., pref. (quar.)	\$1.50	Nov. 1	Holders of rec. Oct. 27	Prairie Oil & Gas (quar.)	3	Oct. 31	Holders of rec. Sept. 29
Anaconda Copper Mining (quar.)	\$2	Nov. 26	Holders of rec. Oct. 20a	Extra	4	Oct. 31	Holders of rec. Sept. 29
Associated Dry Goods, 1st pref. (No. 1)	1 1/4	Dec. 1	Holders of rec. Nov. 15a	Prairie Pipe Line (quar.)	5	Oct. 31	Holders of rec. Sept. 29a
Atlas Powder, preferred (quar.)	1 1/4	Nov. 1	Oct. 21 to Oct. 31	Extra	5	Oct. 31	Holders of rec. Sept. 29a
Barnhart Bros. & Spindler, 1st & 2d pf. (qu.)	1 1/4	Nov. 1	Holders of rec. Oct. 27a	Prest-O-Lite Co. (quar.)	\$2	Oct. 31	Holders of rec. Oct. 20a
Brill (J. G.) Co., preferred (quar.)	1	Nov. 1	Holders of rec. Oct. 23	Procter & Gamble, common	5	Nov. 15	Holders of rec. Oct. 31a
Brown Shoe, Inc., preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 20a	Public Service of Nor. Illinois, com. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15a
Bunt Bros. (Chicago), pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 25	Preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 15a
Burns Bros., com. (quar.) (No. 17)	1 1/4	Nov. 15	Holders of rec. Nov. 1a	Pullman Co. (quar.) (No. 203)	2	Nov. 15	Holders of rec. Oct. 31
Common (payable in common stock)	71	Nov. 15	Holders of rec. Nov. 1a	Pyrene Manufacturing (quar.) (No. 20)	25c.	Nov. 1	Holders of rec. Oct. 18
Preferred (quar.) (No. 19)	1 1/4	Nov. 1	Holders of rec. Oct. 20a	Quaker Oats, preferred (quar.)	1 1/4	Nov. 30	Holders of rec. Nov. 1a
Canada Foundries & Forg., com. (quar.)	1 1/4	Nov. 15	Holders of rec. Oct. 31	Republie Iron & Steel, com. (qu.) (No. 4)	1 1/4	Nov. 1	Holders of rec. Oct. 15a
Preferred (quar.)	1 1/4	Nov. 15	Holders of rec. Oct. 31	Sapulpa Refining (quar.)	30c.	Nov. 1	Oct. 16 to Nov. 1
Canadian Converters, Ltd. (quar.)	1 1/4	Nov. 15	Holders of rec. Oct. 31	Sears, Roebuck & Co., common (quar.)	2	Nov. 15	Holders of rec. Oct. 31
Carbon Steel, common (quar.)	1 1/4	Nov. 15	Nov. 11 to Nov. 14	Shannon Copper Co. (quar.)	25c.	Nov. 15	Holders of rec. Oct. 31
Common (extra)	2 1/4	Nov. 15	Nov. 11 to Nov. 14	Shattuck Arizona Cop. Co. (qu.) (No. 21)	50c.	Oct. 20	Holders of rec. Sept. 29a
Carson Steel Tool (quar.)	20c.	Nov. 10	Holders of rec. Nov. 1	Extra (No. 9)	75c.	Nov. 20	Holders of rec. Sept. 29a
Extra	5c.	Nov. 10	Holders of rec. Nov. 1	Sierra Pacific Elec. Co., pref. (qu.) (No. 33)	1 1/4	Nov. 1	Holders of rec. Oct. 22a
Central Foundry, ordinary, pref. (quar.)	1 1/4	Nov. 15	Holders of rec. Oct. 31a	Standard Motor Construction	\$1.25	Nov. 21	Holders of rec. Oct. 31a
Central Leather, common (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 10a	Steel Co. of Can., Ltd., com. (qu.) (No. 3)	1 1/4	Nov. 1	Holders of rec. Oct. 13
Common (extra)	2	Nov. 1	Holders of rec. Oct. 10a	Preferred (quar.) (No. 25)	1 1/4	Nov. 1	Holders of rec. Oct. 13
Central Sugar Corp., pref. (quar.)	\$1.75	Nov. 1	Holders of rec. Oct. 15	Superior Steel Corp., com. (quar.) (No. 1)	1 1/4	Nov. 1	Holders of rec. Oct. 15a
Chevrolet Motor (quar.)	3	Nov. 1	Holders of rec. Oct. 25	Swan & Finch	2 1/2	Nov. 1	Holders of rec. Oct. 1
Chicago Pneumatic Tool (quar.)	1	Oct. 25	Oct. 16 to Oct. 25	Swift & Co. (extra) (No. 26)	2	Oct. 20	Holders of rec. Oct. 10
Chic. Wilmington & Frank. Coal, com. (qu.)	5	Nov. 1	Holders of rec. Oct. 2a	Taylor-Wharton Iron & Steel, pref. (quar.)	1 1/4	Nov. 1	Oct. 25 to Oct. 31
Preferred (quar.) (No. 7)	1 1/2	Nov. 1	Holders of rec. Oct. 22	Texas Power & Light, pref. (quar.) (No. 22)	1 1/4	Nov. 1	Holders of rec. Oct. 20
Cleveland-Cliffs Iron (quar.)	2 1/2	Oct. 25	Oct. 16 to Oct. 25	Tobacco Products, common (No. 1)	\$1.50	Nov. 15	Holders of rec. Nov. 1
Cleve. Elec., Ill., pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 25a	Tonopah Mining of Nevada (quar.)	15c.	Oct. 20	Sept. 30 to Oct. 7
Clinchfield Coal Corporation, com. (quar.)	1	Nov. 1	Holders of rec. Oct. 26	Transue & Williams Steel Forgings (quar.)	\$1.25	Oct. 20	Holders of rec. Oct. 10a
Preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 26	Trenton Pottery non-cum. pref. (quar.)	1 1/2	Oct. 25	Holders of rec. Oct. 18a
Cluett, Peabody & Co., com. (qu.) (No. 16)	1 1/4	Nov. 1	Holders of rec. Oct. 20a	Non-cumulative preferred (extra)	1 1/2	Oct. 25	Holders of rec. Oct. 18a
Colorado Fuel & Iron, common (quar.)	3 1/4	Oct. 25	Holders of rec. Oct. 10a	Union Bag & Paper Corporation (extra)	22	Nov. 15	Holders of rec. Nov. 5
Preferred (quar.)	2	Oct. 25	Holders of rec. Oct. 10a	Union Oil of California (quar.)	1 1/2	Oct. 20	Holders of rec. Oct. 10
Columbia Gas & Electric (quar.)	1	Nov. 15	Holders of rec. Oct. 31	Extra	1	Oct. 20	Holders of rec. Oct. 10
Commonwealth-Edison (quar.)	2	Nov. 1	Holders of rec. Oct. 16a	United Alloy Steel Corporation (quar.)	\$1	Oct. 20	Holders of rec. Oct. 10a
Consolidation Coal (quar.)	1 1/4	Oct. 31	Holders of rec. Oct. 20a	United Cigar Stores, com. (qu.) (No. 20)	1 1/4	Nov. 15	Holders of rec. Oct. 26a
Continental Paper Bag, common (extra)	1 1/4	Nov. 1	Holders of rec. June 30	United Coal Corporation, pref. (quar.)	1 1/4	Oct. 25	Holders of rec. Oct. 15a
Preferred (extra)	1 1/4	Nov. 1	Holders of rec. June 30	United Drug, first pref. (quar.) (No. 7)	87 1/2 c.	Nov. 1	Holders of rec. Oct. 15a
Cosden & Co., common (quar.)	2	Nov. 1	Oct. 13 to Nov. 15	United Electric Securities preferred	3 1/4	Nov. 1	Holders of rec. Oct. 18a
Common (extra)	4	Nov. 1	Oct. 13 to Nov. 15	United States Glass (quar.)	1	Oct. 25	Holders of rec. Oct. 15
Crocker-Wheeler Co., com. (quar.)	2	Oct. 15	Holders of rec. Oct. 4	U. S. Bobbin & Shuttle, common (quar.)	1 1/4	Nov. 1	Oct. 11 to Oct. 31

Auction Sales.—Among other securities, the following not usually dealt in at the Stock Exchange, were recently sold at auction in New York, Boston and Philadelphia:

By Messrs. Adrian H. Muller & Sons, New York:

Shares.	Stocks.	Per cent.	Shares.	Stocks.	Per cent.
75	Security Bank	10	10,000	High Grade Copper Mining,	
1,271	Spokane & Inland Empire		\$1 each.		\$15 lot
	RR., pref.	\$1 10 per sh.	1,000	Sabana Grande-Honduras	
450	Spokane & Inland Empire		Mining, \$1 each.		\$1,500 lot
	RR., com.	10c. per sh.			

By Messrs. Francis Henshaw & Co., Boston:

Shares.	Stocks.	\$ per sh.	Shares.	Stocks.	\$ per sh.
12	Salmon Falls Manufacturing, common	70			
10	Whitman Mills	152			
20	Continental Ins. (N. Y.), \$25 each	45			
5	Draper Corporation	121 1/4			

By Messrs. R. L. Day & Co., Boston:

Shares.	Stocks.	\$ per sh.	Shares.	Stocks.	\$ per sh.
3	National Sawmill Bank	200	4	American Mfg., pref.	88 1/4
9	Androsoggin Mills	190	4	Plymouth Cordage, ex-div.	199 1/2
5	Salmon Falls Mfg., com.	70			
4	Waltham Watch, com.	10 1/2			

By Messrs. Barnes & Lofland, Philadelphia:

Shares.	Stocks.	\$ per sh.	Shares.	Stocks.	\$ per sh.
25	West End Trust	169	10	Delaware RR., \$25 each	41
49	Northern States Power, pref.	92	33	Bergner & Engel Brew., pref.	35
20	Amr. Public Utilities, pref.	60	70	United Gas & El. Corp., 1st pf.	51
40	Peoples Trust, \$50 each	36	5	Real Estate Trust, pref.	100
6	Bank of North America	250	5	Philadelphia National Bank	471
5	Pocono Manor Association	40	100	American Stores, pref.	90
2	Del. Co. Nat. Bank, Chester	277 1/2	100	Comm. Finance, pref., \$10 ea.	10
50	East Penn. RR., \$50 each	57	1	Litrary Co. of Philadelphia	20 1/2
1	Farm. & Meehan. Nat. Bank	149	3.65	Aberfoyle Mfg. Co.	70-100
5	First Nat. Bank of Phila.	220 1/2	20	Chase-O Mfg. Co., \$25 each	5
5	Atlantic S. D. & Tr. (Atl. City)	705	4	Phila. Bourse, com., \$50 each	5 1/2
5	Guarantee Trust (Atl. City)	225			
25	Continental-Equit. Tr., \$50 ea.	87			
10	Peoples Trust, \$50 each	36			
1	Philadelphia Trust	830 1/2			
8	Provident Life & Trust	450			
40	Peoples Nat. Fire Ins., \$25 each	16			
15	Phila. Life Insur., \$10 each	10 1/2			

National Banks.—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

CHARTERS ISSUED.

Original organizations:		
The First National Bank of Wrightstown, N. J.	Capital	25,000
The Newcastle National Bank, Newcastle, Wyo.	Capital	25,000
The Lamar National Bank, Lamar, S. C.	Capital	25,000
Succeeds the Peoples Bank of Lamar.		
Total capital		\$75,000

APPLICATIONS FOR CHARTERS.

For conversion of State banks:		
The First National Bank of Proctor, Minn.	Capital	25,000
Conversion of Proctor State Bank, Proctor, Minn.		
The First National Bank of Lambert, Mont.	Capital	25,000
Conversion of Farmers State Bank of Lambert.		
The Bluefield National Bank, Bluefield, W. Va.	Capital	100,000
Conversion of the Bluefield Bank.		
Total capital		\$150,000

INCREASE OF CAPITAL APPROVED.

The First National Bank of Batesburg, S. C.	Capital increased from \$50,000 to \$80,000.	Increase	\$30,000
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BANK LIQUIDATING TO CONSOLIDATE WITH NATIONAL BANK.

The Citizens National Bank of Batesburg, S. C.	Capital	\$30,000
Liquidating agent: A. C. Jones, Batesburg.	Consolidated with the First National Bank of Batesburg.	

OTHER LIQUIDATIONS.

The First National Bank of Brownsville, Tenn.	Capital	\$100,000
Succeeded by the First State Bank of Brownsville.		

Canadian Bank Clearings.—The clearings for the week ending Oct. 11 at Canadian cities, in comparison with the same week in 1916, show an increase in the aggregate of 29.9%.

Clearings at—		Week ending October 11.				
		1917.	1916.	Inc. or Dec.	1915.	1914.
Canada—	\$	\$	%	\$	\$	
Montreal	88,300,520	70,159,431	+25.9	51,784,575	47,360,992	
Toronto	54,244,116	43,634,612	+24.3	32,697,178	31,000,000	
Winnipeg	53,139,177	39,672,482	+33.9	43,453,023	32,978,975	
Vancouver	9,161,054	5,879,350	+54.1	4,830,110	6,125,882	
Ottawa	5,578,456	4,766,096	+17.0	3,526,798	3,445,364	
Quebec	3,528,768	3,750,555	—5.9	3,201,154	3,101,320	
Halifax	3,047,178	2,049,018	+48.7	1,820,493	2,303,074	
Hamilton	4,042,289	3,554,059	+13.7	2,715,427	2,704,707	
Calgary	8,374,956	3,809,031	+119.8	3,466,109	3,857,456	
St. John	1,726,622	1,555,843	+11.0	1,252,745	1,326,319	
Victoria	1,738,873	1,562,668	+11.3	1,238,144	1,692,801	
London	2,073,053	1,812,839	+14.4	1,555,672	1,491,442	
Edmonton	2,598,535	2,116,360	+22.4	1,494,851	2,194,788	
Regina	4,700,187	2,908,425	+61.6	2,076,405	1,888,022	
Brandon	710,300	572,987	+24.1	465,559	545,186	
Lethbridge	1,310,709	592,632	+119.7	374,958	323,407	
Saskatoon	2,249,648	1,353,231	+66.2	1,266,006	954,366	
Moose Jaw	1,624,389	1,059,933	+53.3	829,664	853,362	
Brantford	772,861	733,326	+5.3	510,845	481,186	
Fort William	590,047	514,868	+14.8	384,657	650,252	
New Westminster	320,781	249,300	+28.1	204,730	260,348	
Medicine Hat	765,286	393,640	+94.5	237,376	250,747	
Peterborough	551,575	474,927	+16.2	349,763	418,946	
Sherbrooke	605,524	512,503	+18.1	—	—	
Kitchener	590,602	532,774	+10.9	—	—	
Total Canada	252,345,506	194,220,890	+29.9	159,736,242	146,208,945	

The Federal Reserve Banks.—Following is the weekly statement issued by the Federal Reserve Board on Oct. 13.

The Federal Reserve Board made public to-day its regular weekly bank statement as at close of business Oct. 11-12 1917. Columbus Day being observed as a legal holiday by seven Federal Reserve banks and three Federal Reserve branches, the figures for these institutions indicate their condition as at close of business on October 11. Figures for the Federal Reserve banks at Richmond, Atlanta, St. Louis, Minneapolis and Kansas City and the Reserve branches at New Orleans and Omaha are given as at close of business on October 12.

The statement indicates a large increase in member banks' reserve deposits, largely at the New York Bank, following the opening of the reserve account by the newly admitted Guaranty Trust Co., also substantial additions by all the banks to their note circulation. The banks' reserves against deposits declined about 12 millions, while gold reserves against Federal Reserve notes increased 20.9 millions during the week. Net deposits of the banks on which reserve is computed show a decrease of 29.2 millions, the "float," including clearing house exchanges carried chiefly by the New York Bank, being unusually large. As a result the deposit reserve percentage shows an increase from 73.0 to 73.7%, while the note reserve percentage, owing to the relatively large amount of notes issued against paper during the week, shows a decline from 76.9 to 75.7%.

During the week the New York Bank disbursed a total of 130 millions to the Allies, 55 millions being paid to Great Britain, 40 millions to France, 20 millions to Russia and 15 millions to Italy. These funds were largely withdrawn from local depositaries, which remitted in part by checks on other New York banks, the latter figuring among the clearing house exchanges reported by the Bank.

Discounts on hand show an increase for the week of 27.9 millions. Large borrowings mainly on collateral security are reported by the New York Bank, the total discounts held by the Bank showing a gain for the week of 39.3 millions. Total holdings of collateral notes increased from 163.0 millions to 208.2 millions, while the total of notes secured by Liberty bonds or United States certificates of indebtedness went up from 84.7 to 130.8 millions. Acceptances and United States bonds on hand show a slight decline, while holdings of United States short-term securities fell off 25.1 millions, the New York, Cleveland and Chicago banks having disposed of large portions of their holdings of certificates of indebtedness. Total earning assets show a gain of 1.6 millions and constitute at present 953% of the banks' paid-in capital as against 952% shown the week before. Of the total, 50.3% is represented by discounts, 31.9% by acceptances, and 17.8% by United States securities.

Admission to membership of the Chicago Savings Bank & Trust Co. and of the Lafayette South Side Bank of St. Louis accounts largely for the increase of \$77,000 in capital account. Government deposits decreased about 12.1 millions, the week witnessing considerable withdrawals of Government funds from the interior and their concentration at the New York Bank. Transfer on the books of the New York Reserve Bank of the Guaranty Trust Company's clearings account to member bank reserve account is largely responsible for the changes shown in these two items, all other reserve banks except San Francisco reporting but slight changes in their total bank deposits.

During the week the amount of Federal Reserve notes outstanding increased from \$797,630,000 to \$837,425,000. Against the total of notes issued the agents hold now \$580,734,000 of gold and \$263,164,000 of paper. The banks report an actual Federal Reserve note circulation of \$779,885,000, an increase of \$38,996,000 for the week.

The figures of the consolidated statement for the system as a whole are given in the following table, and in addition we present the results for each of the seven preceding weeks, together with those of the corresponding week of last year, thus furnishing a useful comparison. The earlier figures have been revised in order to conform with new form adopted by the Federal Reserve Board as of June 22. In the second table we show the resources and liabilities separately for each of the twelve Federal Reserve banks. The statement of Federal Reserve Agents' Accounts (the third table following) gives details regarding the transactions in Federal Reserve notes between the Comptroller and the Reserve Agents and between the latter and the Federal Reserve banks.

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS OCTOBER 11-12 1917.

	Oct. 11-12 '17.	Oct. 5 1917.	Sept. 28 '17.	Sept. 21 1917.	Sept. 14 1917.	Sept. 7 1917.	Aug. 31 1917.	Aug. 24 1917.	Oct. 13 1916.
RESOURCES.									
Gold coin and certificates in vault	482,716,000	448,614,000	445,597,000	430,979,000	408,206,000	414,433,000	416,797,000	426,751,000	267,400,000
Gold settlement fund	321,778,000	334,787,000	342,337,000	373,387,000	384,646,000	395,853,000	393,937,000	397,067,000	125,261,000
Gold with foreign agencies	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	
Total gold held by banks	856,994,000	835,901,000	840,434,000	856,866,000	845,350,000	862,786,000	863,234,000	876,318,000	392,661,000
Gold with Federal Reserve Agent	580,734,000	560,111,000	558,227,000	536,009,000	520,470,000	494,779,000	493,185,000	488,536,000	210,088,000
Gold redemption fund	9,717,000	9,465,000	9,809,000	9,442,000	9,127,000	7,218,000	7,079,000	7,375,000	1,687,000
Total gold reserves	1,447,445,000	1,405,477,000	1,408,470,000	1,402,317,000	1,374,949,000	1,364,783,000	1,363,498,000	1,372,229,000	604,436,000
Legal tender notes, silver, &c.	48,113,000	48,238,000	49,039,000	49,934,000	51,085,000	50,608,000	52,610,000	52,540,000	11,377,000
Total reserves	1,495,558,000	1,453,715,000	1,457,509,000	1,452,251,000	1,426,034,000	1,415,391,000	1,406,108,000	1,424,769,000	615,813,000
Bills discounted—members	293,164,000	265,251,000	233,539,000	183,758,000	167,333,000	168,217,000	147,315,000	128,407,000	21,959,000
Bills bought in open market	185,775,000	186,162,000	176,169,000	161,012,000	168,445,000	173,199,000	154,591,000	159,557,000	77,527,000
Total bills on hand	478,939,000	451,413,000	409,708,000	344,770,000	335,778,000	341,416,000	301,906,000	287,964,000	99,486,000
U. S. Government long-term securities	54,878,000	55,727,000	55,129,000	53,929,000	45,358,000	45,394,000	45,406,000	45,226,000	42,642,000
U. S. Government short-term securities	48,517,000	73,632,000	39,876,000	41,070,000	42,366,000	42,441,000	32,521,000	30,480,000	10,444,000
Municipal warrants	101,000	79,000	224,000	214,000	214,000	204,000	1,230,000	1,232,000	31,542,000
Total earning assets	582,435,000	580,851,000	504,937,000	439,983,000	423,716,000	429,455,000	381,063,000	364,902,000	184,114,000
Due from other F. R. banks—net	17,147,000	2,570,000	5,929,000	+2,247,000	6,554,000	12,036,000	10,233,000	243,000	30,089,000
Uncollected items	321,205,000	230,423,000	234,361,000	+236,794,000	224,622,000	216,960,000	260,184,000	210,387,000	
Total deductions from gross deposits	338,352,000	232,993,000	240,290,000	239,041,000	231,176,000	228,996,000	270,417,000	210,630,000	30,089,000
5% redemp. fund agst. F. R. bank notes	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	370,000
All other resources	1,000,000	574,000	387,000	404,000	308,000	372,000	293,000	339,000	2,675,000
Total resources	2,417,845,000	2,301,633,000	2,203,673,000	2,132,179,000	2,081,734,000	2,074,714,000	2,058,341,000	2,001,140,000	833,061,000

	Oct. 11-12 '17.	Oct. 5 1917.	Sept. 28 1917†	Sept. 21 1917.	Sept. 14 1917.	Sept. 7 1917.	Aug. 31 1917.	Aug. 24 1917.	Oct. 13 1916.
LIABILITIES.									
Capital paid in.....	\$ 61,104,000	\$ 61,027,000	\$ 59,379,000	\$ 59,354,000	\$ 59,368,000	\$ 59,256,000	\$ 58,904,000	\$ 58,484,000	\$ 55,682,000
Government deposits.....	74,167,000	186,310,000	71,239,000	25,030,000	21,602,000	39,926,000	154,358,000	59,972,000	26,515,000
Due to members—reserve account.....	1,265,309,000	1,143,837,000	1,136,930,000	1,151,704,000	1,139,291,000	1,138,542,000	1,069,804,000	1,121,129,000	-----
Due to non-members—clearing account.....	51,377,000	94,029,000	67,433,000	50,779,000	50,621,000	52,339,000	28,903,000	32,933,000	-----
Member bank deposits—net.....	173,825,000	159,253,000	157,521,000	164,449,000	158,268,000	154,112,000	140,278,000	137,955,000	542,243,000
Collection items.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total gross deposits.....	1,564,678,000	1,488,484,000	1,433,176,000	1,391,962,000	1,367,782,000	1,334,919,000	1,393,343,000	1,351,989,000	568,758,000
F. R. notes in actual circulation.....	779,885,000	740,916,000	700,212,000	670,246,000	644,567,000	621,299,000	587,915,000	573,049,000	297,124,000
F. R. bank notes in circulation, net liab.....	8,000,000	8,000,000	8,000,000	8,000,000	7,561,000	6,894,000	6,023,000	5,473,000	1,033,000
All other liab., incl. foreign Govt. credits.....	4,178,000	3,206,000	2,906,000	2,617,000	2,456,000	2,346,000	12,196,000	12,145,000	464,000
Total liabilities.....	2,417,845,000	2,301,633,000	2,203,673,000	2,132,179,000	2,031,734,000	2,074,714,000	2,058,381,000	2,001,140,000	833,061,000
Gold reserve against net deposit liab.....	69.8%	69.2%	70.4%	74.3%	74.3%	74.6%	75.2%	76.0%	72.9%
Gold and lawful money reserve against net deposit liabilities.....	73.7%	73.0%	74.5%	78.6%	73.8%	79.0%	79.9%	80.6%	75.0%
Gold res. agst. F. R. notes in act. circ'n.....	75.7%	76.9%	81.1%	81.4%	82.2%	80.8%	85.1%	86.5%	102.2%
Distribution by Maturities—									
1-15 days bills discounted and bought.....	\$ 259,725,000	\$ 228,355,000	\$ 178,321,000	\$ 138,648,000	\$ 127,393,000	\$ 128,459,000	\$ 108,291,000	\$ 88,781,000	\$ -----
16-30 days bills discounted and bought.....	64,976,000	53,631,000	63,663,000	63,338,000	45,175,000	56,671,000	55,508,000	55,667,000	-----
31-60 days bills discounted and bought.....	94,864,000	101,004,000	97,025,000	90,781,000	109,602,000	96,983,000	80,170,000	96,681,000	131,028,000
61-90 days bills discounted and bought.....	11,000	7,000	-----	20,000	20,000	20,000	146,000	146,000	-----
Over 90 days bills discounted and bought.....	57,225,000	64,011,000	69,614,000	50,457,000	51,743,000	57,455,000	46,124,000	43,718,000	-----
Over 90 days municipal warrants.....	80,000	10,000	5,000	5,000	-----	-----	-----	-----	-----
Over 90 days bills discounted and bought.....	2,149,600	1,412,000	1,465,000	1,546,000	1,865,000	1,848,000	2,813,000	3,117,000	-----
Over 90 days municipal warrants.....	10,000	62,000	73,000	53,000	68,000	58,000	58,000	58,000	-----
Federal Reserve Notes—									
Issued to the banks.....	837,425,000	797,630,000	754,088,000	725,397,000	700,430,000	680,073,000	644,911,000	627,307,000	225,882,000
Held by banks.....	57,540,000	56,714,000	54,745,000	55,151,000	55,863,000	58,774,000	56,996,000	54,255,000	18,758,000
In circulation.....	779,885,000	740,916,000	699,343,000	670,246,000	644,567,000	621,299,000	587,915,000	563,049,000	207,124,000
Rec'd from Comptrol'r.....	1,251,580,000	1,237,940,000	1,167,320,000	1,145,700,000	1,116,840,000	1,065,660,000	1,050,560,000	1,039,560,000	368,100,000
Returned to the Comptrol'r.....	203,635,000	204,250,000	197,957,000	195,745,000	192,835,000	180,572,000	178,124,000	176,808,000	78,716,000
Amount chargeable to Agent.....	1,044,885,000	1,033,690,000	969,363,000	949,952,000	924,005,000	885,088,000	872,435,000	862,752,000	289,384,000
In hands of Agent.....	207,460,000	205,030,000	215,275,000	224,555,000	223,575,000	205,015,000	227,525,000	235,445,000	63,502,000
Issued to Federal Reserve banks.....	837,425,000	797,630,000	754,088,000	725,397,000	700,430,000	680,073,000	644,911,000	627,307,000	225,882,000
How Secured—									
By gold coin and certificates.....	274,221,000	269,911,000	276,645,000	278,534,000	272,682,000	256,127,000	269,170,000	269,015,000	132,248,000
By lawful money.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
By commercial paper.....	256,691,000	237,519,000	198,049,000	189,388,000	179,960,000	185,294,000	151,726,000	138,771,000	15,791,000
Gold redemption fund.....	30,430,000	28,657,000	28,040,000	23,801,000	26,452,000	25,232,000	24,974,000	25,780,000	11,880,000
With Federal Reserve Board.....	276,083,000	261,543,000	250,554,000	228,674,000	221,336,000	213,420,000	199,041,000	193,741,000	63,960,000
Total.....	837,425,000	797,630,000	754,088,000	725,397,000	700,430,000	680,073,000	644,911,000	627,307,000	225,882,000
Commercial paper delivered to F. R. Agt.....	263,164,000	248,912,000	204,467,000	198,887,000	192,200,000	187,218,000	156,219,000	146,664,000	16,296,000
a Amount due to other Federal Reserve banks. b The figures for San Francisco are for Sept. 21. † Revised figures.									

WEEKLY STATEMENT OF RESOURCES AND LIABILITIES OF EACH OF THE 12 FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS OCT 11-12 '17

	Boston.	New York.	Philad'el'a	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneap.	Kan. City.	Dallas.	San Fran.	Total.
RESOURCES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gold coin & cts. in vault	23,961,000	305,176,000	18,272,000	22,239,000	6,323,000	6,072,000	35,661,000	4,607,000	18,584,000	6,830,000	12,615,000	22,376,000	482,716,000
Gold settlement fund...	17,159,000	24,122,000	36,985,000	50,478,000	25,919,000	3,383,000	58,271,000	20,037,000	10,043,000	38,631,000	12,717,000	24,033,000	321,778,000
Gold with for'n agencies...	3,675,000	18,112,000	3,675,000	4,725,000	1,837,000	1,575,000	7,350,000	2,100,000	2,100,000	2,625,000	1,838,000	2,888,000	52,500,000
Total gold held by bks.	44,795,000	347,410,000	58,932,000	77,442,000	34,079,000	11,030,000	101,282,000	26,744,000	30,727,000	48,086,000	27,170,000	49,297,000	856,994,000
Gold with F. R. Agents...	29,960,000	200,551,000	44,247,000	41,552,000	22,634,000	36,479,000	80,330,000	21,298,000	28,818,000	23,484,000	26,351,000	25,030,000	580,734,000
Gold redemption fund...	500,000	4,000,000	950,000	27,000	746,000	181,000	296,000	771,000	951,000	517,000	728,000	50,000	9,417,000
Total gold reserves...	75,255,000	551,961,000	104,129,000	119,021,000	57,459,000	47,690,000	181,908,000	48,813,000	60,496,000	72,087,000	54,249,000	74,377,000	1,447,445,000
Legal-ten. notes, silv., &c.	4,089,000	39,601,000	789,000	309,000	144,000	344,000	1,090,000	818,000	314,000	45,000	454,000	116,000	48,113,000
Total reserves.....	79,344,000	591,562,000	104,918,000	119,330,000	57,603,000	48,034,000	182,998,000	49,631,000	60,810,000	72,132,000	54,703,000	74,493,000	1,495,558,000
Bills:													
Discounted—Members.....	13,086,000	142,494,000	9,318,000	10,348,000	12,517,000	8,738,000	36,190,000	16,834,000	6,828,000	18,394,000	7,137,000	11,280,000	293,164,000
Bought in open market.....	24,816,000	80,501,000	17,462,000	21,458,000	5,398,000	2,095,000	8,180,000	4,186,000	2,807,000	3,307,000	8,151,000	6,776,000	185,775,000
Total bills on hand...	37,902,000	222,995,000	26,780,000	31,806,000	17,915,000	10,833,000	44,370,000	21,020,000	9,635,000	21,701,000	15,288,000	18,056,000	478,939,000
U. S. long-term secur's.....	610,000	2,609,000	550,000	7,945,000	1,295,000	893,000	21,507,000	2,233,000	18,859,000	8,849,000	3,969,000	2,559,000	54,878,000
U. S. short-term secur's.....	2,686,000	6,074,000	3,155,000	6,033,000	2,830,000	7,284,000	6,774,000	1,949,000	2,244,000	2,320,000	2,220,000	4,948,000	48,517,000
Municipal warrants.....	-----	-----	10,000	12,000	-----	23,000	-----	-----	10,000	-----	46,000	-----	101,000
Total earning assets.....	41,198,000	231,678,000	30,435,000	45,796,000	22,040,000	19,033,000	73,289,000	25,202,000	13,748,000	32,870,000	21,523,000	25,563,000	582,435,000
Due from other Federal Reserve banks—Net.....	5,879,000	-----	-----	-----	-----	2,392,000	10,641,000	7,124,000	1,164,000	3,429,000	-----	2,428,000	17,147,000
Uncollected items.....	15,808,000	131,918,000	30,681,000	14,833,000	16,443,000	13,911,000	35,407,000	17,270,000	8,308,000	14,338,000	12,553,000	9,735,000	321,205,000
Total deductions from gross deposits.....	21,687,000	131,918,000	30,681,000	14,833,000	16,443,000	16,303,000	46,048,000	24,394,000	9,472,000	17,767,000	12,553,000	12,163,000	338,352,000
5% redemp. fund against Fed. Res. bank notes.....	-----	-----	-----	-----	-----	56,000	-----	-----	-----	400,000	100,000	-----	500,000
All other resources.....	-----	-----	-----	-----	-----	56,000	-----	194,000	448,000	-----	93,000	209,000	1,000,000
Total resources.....	142,229,000	955,158,000	166,094,000	179,959,000	96,036,000	83,426,000	302,335,000	99,421,000	84,478,000	123,169,000	88,972,000	112,428,000	2,417,845,000
LIABILITIES.													
Capital paid in.....	5,463,000	13,723,000	5,273,000	6,460,000	3,477,000	2,596,000	8,048,000	3,305,000	2,576,000	3,372,000	2,783,000	4,028,000	61,104,000
Government deposits.....	2,567,000	42,480,000	593,000	3,955,000	309,000	1,513,000	8,148,000	2,063,000	2,296,000	1,947,000	4,098,000	4,198,000	74,167,000
Due to members—Reserve account.....	75,883,000	535,090,000	75,328,000	101,046,000	40,107,000	29,687,000	157,522,000	44,724,000	40,706,000	68,156,000	35,390,000	61,660,000	1,265,309,000
Due to non-members—clearing account.....	-----	40,796,000	-----	407,000	-----	136,000	6,033,000	16,000	21,000	-----	-----	3,968,000	51,377,000
Collection items.....	13,785,000	35,198,000	26,139,000	12,470,000	13,952,000	8,890,000	19,561,000	17,793,000	4,445,000	9,840,000	5,019,000	6,433,000	173,825,000
Due to F. R. banks—Net.....	-----	10,549,000	1,938,000	514,000	456,000	-----	-----	-----	-----	-----	2,443,000	-----	-----
Total gross deposits.....	92,245,000	664,113,000	104,008,000	118,992,000	54,824,000	40,226,000	191,564,000	64,596,000	47,468,000	79,943,000	46,950,000	76,259,000	1,564,678,000
F. R. notes in act. circul.....	43,969,000	274,620,000	56,415,000	54,978,000	37,636,000	40,604,000	102,621,000	31,520,000	34,434,000	31,708,000	39,239,000	32,141,000	779,885,000
F. R. B's notes in circul.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	8,000,000	-----	-----	8,000,000
All other liabilities, incl. foreign Govt. credits.....	552,000	2,702,000	398,000	129,000	149,000	-----	102,000	-----	-----	146,000	-----	-----	4,178,000
Total liabilities.....	142,229,000	955,158,000	166,094,000	179,959,000	96,036,000	83,426,000	302,335,000	99,421,000	84,478,000	123,169,000	88,972,000	112,428,000	2,417,845,000

Statement of New York City Clearing House Banks and Trust Companies.—The following detailed statement shows the condition of the New York City Clearing House members for the week ending Oct. 6. The figures for the separate banks are the averages of the daily results. In the case of the totals, actual figures at end of the week are also given.

NEW YORK WEEKLY CLEARING HOUSE RETURN.

CLEARING HOUSE MEMBERS.	Capital.		Loans, Discounts, Investments, &c.	Gold	Legal Tenders	Silver	National Bank and Federal Reserve Notes	Reserve with Legal Depositaries	Additional Deposits with Legal Depositaries	Net Demand Deposits	Net Time Deposits	National Bank Circulation
	Week Ending Oct. 12 1917.	Net Profits. (Nat. Banks Sept. 11) (State Banks Sept. 8)										
Members of Federal Reserve Bank.	\$	\$	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.
Bank of N. Y., N.B.A.	2,000,000	5,243,900	40,647,000	226,000	177,000	92,000	195,000	5,906,000	-----	35,866,000	1,951,000	781,000
Merchants' Nat. Bank	2,000,000	2,555,900	24,130,000	194,000	165,000	389,000	55,000	2,654,000	-----	17,853,000	1,089,000	1,825,000
Mech. & Metals Nat.	6,000,000	10,328,700	143,968,000	7,425,000	191,000	4,118,000	289,000	30,357,000	-----	156,299,000	6,499,000	3,770,000
National City Bank	25,000,000	48,277,400	498,123,000	10,486,000	3,151,000	1,384,000	1,047,000	100,918,000	-----	525,639,000	8,608,000	1,782,000
Chemical Nat. Bank	3,000,000	8,885,200	55,064,000	286,000	271,000	570,000	60,000	8,159,000	-----	48,504,000	2,479,000	441,000
Atlantic Nat. Bank	1,000,000	872,200	13,961,000	162,000	153,000	343,000	45,000	2,136,000	-----	13,932,000	727,000	150,000
Nat. Butchers & Drov.	300,000	77,500	2,386,000	26,000	64,000	19,000	7,000	271,000	-----	2,067,000	-----	49,000
American Exch. Nat.	5,000,000	5,571,300	94,411,000	965,000	393,000	590,000	412,000	16,725,000	-----	86,208,000	8,687,000	49,927,000
Nat. Bank of Comm.	25,000,000	20,864,400	311,481,000	1,571,000	1,599,000	779,000	197,000	34,252,000	-----	259,310,000	9,691,000	-----
Chat. & Phenix Nat.	3,500,000	2,396,800	70,609,000	1,270,000	698,000	1,209,000	859,000	9,119,000	-----	63,119,000	6,914,000	1,724,000
Hanover Nat. Bank	3,000,000	16,924,700	140,029,000	8,043,000	786,000	1,185,000	454,000	26,738,000	-----	151,109,000	-----	200,000
Citizens' Nat. Bank	2,550,000	2,683,200	36,578,000	67,000	30,000	815,000	42,000	4,604,000	-----	29,827,000	394,000	1,016,000
Market & Fulton Nat.	1,000,000	2,149,000	10,735,000	232,000	52,000	379,000	289,000	1,802,000	-----	10,605,000	-----	103,000
Corn Exchange Bank	3,500,000	7,244,700	109,613,000	1,841,000	556,000	2,077,000	2,364,000	13,958,000	-----	107,141,000	-----	-----
Importers' & Trad. Nat.	1,500,000	7,756,700	34,450,000	118,000	1,016,000	64,000	228,000	4,108,000	-----	29,001,000	10,000	51,000
Nat. Park Bank	5,000,000	17,134,600	166,859,000	888,000	676,000	392,000	393,000	19,968,000	-----	152,855,000	3,818,000	3,548,000
East River Nat. Bank	250,000	76,000	2,515,000	20,000	28,000	124,000	14,000	567,000	-----	2,767,000	-----	50,000
Second Nat. Bank	1,000,000	3,679,900	18,942,000	163,000	80,000	343,000	375,000	2,252,000	-----	16,514,000	-----	825,000
First Nat. Bank	10,000,000	27,094,100	288,229,000	2,387,000	551,000	1,244,000	33,000	20,875,000	-----	163,438,000	1,130,000	6,146,000
Irving Nat. Bank	4,000,000	4,770,200	88,684,000	1,013,000	448,000	1,609,000	176,000	15,913,000	-----	94,563,000	207,000	640,000
N. Y. County Nat.	500,000	373,500	9,089,000	303,000	70,000	197,000	160,000	1,351,000	-----	9,655,000	-----	199,000
Chase Nat. Bank	10,000,000	12,623,800	267,414,000	3,459,000	3,250,000	1,284,000	571,000	37,832,000	-----	247,978,000	22,209,000	1,200,000
Lincoln Nat. Bank	1,000,000	1,985,800	16,235,000	1,103,000	285,000	89,000	467,000	2,796,000	-----	17,256,000	15,000	892,000
Garfield Nat. Bank	1,000,000	1,329,300	10,583,000	142,000	51,000	205,000	143,000	1,549,000	-----	9,688,000	200,000	398,000
Fifth Nat. Bank	250,000	429,800	6,764,000	55,000	87,000	208,000	33,000	694,000	-----	5,627,000	323,000	247,000
Seaboard Nat. Bank	1,000,000	3,316,500	45,960,000	572,000	499,000	648,000	202,000	7,801,000	-----	49,751,000	16,000	70,000
Liberty Nat. Bank	3,000,000	4,221,300	75,592,000	266,000	25,000	91,000	541,000	13,082,000	-----	62,607,000	3,299,000	499,000
Coal & Iron Nat. Bank	1,000,000	877,900	11,958,000	-----	529,000	55,000	-----	1,572,000	-----	10,667,000	494,000	413,000
Union Exch. Nat. Bank	1,000,000	1,184,100	11,293,000	140,000	124,000	228,000	136,000	1,460,000	-----	11,527,000	450,000	397,000
Guaranty Trust Co.	25,000,000	28,867,200	434,617,000	4,036,000	313,000	535,000	813,000	60,137,000	-----	361,713,000	44,860,000	-----
Nassau Nat., Brooklyn	1,000,000	1,150,500	12,293,000	57,000	83,000	240,000	25,000	1,330,000	-----	10,243,000	505,000	50,000
Broadway Trust Co.	1,500,000	1,152,800	24,571,000	355,000	152,000	484,000	574,000	3,263,000	-----	24,745,000	1,569,000	-----
Avg. for week k	150,850,000	252,098,900	3,077,813,000	47,871,000	16,553,000	21,989,000	11,199,000	454,144,000	-----	2,788,074,000	126,234,000	32,393,000
Totals, actual condition	Oct. 13	-----	3,134,633,000	48,787,000	17,141,000	22,080,000	11,797,000	465,633,000	-----	2,852,510,000	130,505,000	32,448,000
Totals, actual condition	Oct. 6	-----	2,633,534,000	42,653,000	16,319,000	21,423,000	9,787,000	367,035,000	-----	2,366,789,000	80,782,000	32,276,000
Totals, actual condition	Sept. 29	-----	2,621,211,000	36,724,000	16,219,000	21,809,000	9,930,000	366,481,000	-----	2,370,276,000	75,155,000	32,029,000
Totals, actual condition	Sept. 22	-----	2,568,186,000	33,064,000	16,756,000	21,762,000	8,616,000	381,183,000	-----	2,355,388,000	75,445,000	31,866,000
State Banks.	Not Mem.	bers of Federal Reserve Bank										
Bank of Manhattan Co.	2,050,000	5,212,100	39,874,000	2,717,000	290,000	271,000	311,000	11,153,000	524,000	46,010,000	2,000,000	-----
Bank of America	1,500,000	6,706,200	31,955,000	2,197,000	915,000	439,000	94,000	2,163,000	-----	28,940,000	-----	-----
Greenwich Bank	500,000	1,344,000	12,736,000	897,000	195,000	339,000	368,000	764,000	-----	13,257,000	17,000	-----
Pacific Bank	500,000	1,017,000	8,948,000	357,000	536,000	459,000	303,000	579,000	276,000	9,653,000	38,000	-----
People's Bank	200,000	486,500	3,192,000	64,000	38,000	103,000	101,000	177,000	19,000	2,951,000	1,000	-----
Metropolitan Bank	2,000,000	2,055,200	21,409,000	1,013,000	320,000	581,000	321,000	1,593,000	-----	20,830,000	-----	-----
Bowery Bank	250,000	817,200	4,339,000	335,000	30,000	78,000	61,000	237,000	145,000	3,949,000	-----	-----
German-American Bank	750,000	803,300	6,330,000	342,000	74,000	4,000	4,000	915,000	-----	6,143,000	90,000	-----
Fifth Avenue Bank	100,000	2,320,700	17,458,000	1,345,000	116,000	1,067,000	117,000	1,783,000	-----	19,097,000	-----	-----
German Exchange Bank	200,000	818,800	5,549,000	333,000	82,000	107,000	183,000	305,000	173,000	5,087,000	-----	-----
Germania Bank	400,000	761,300	6,402,000	667,000	37,000	205,000	70,000	389,000	-----	6,538,000	-----	-----
Bank of the Metropolis	1,000,000	2,302,200	15,219,000	598,000	357,000	343,000	353,000	858,000	758,000	14,302,000	-----	-----
West Side Bank	325,600	64,400	4,033,000	290,000	107,000	107,000	36,000	243,000	133,000	4,043,000	-----	-----
N. Y. Produce Exch.	1,000,000	980,800	17,851,000	1,098,000	523,000	642,000	183,000	1,300,000	2,313,000	19,357,000	-----	-----
State Bank	1,500,000	418,000	23,343,000	2,152,000	536,000	536,000	358,000	1,089,000	-----	25,903,000	32,000	-----
Totals, avg. for week	12,275,600	26,107,700	218,638,000	14,375,000	4,156,000	5,281,000	2,863,000	23,548,000	4,341,000	226,060,000	2,178,000	-----
Totals, actual condition	Oct. 13	-----	218,240,000	14,481,000	4,282,000	5,124,000	3,045,000	24,637,000	5,393,000	227,307,000	2,178,000	-----
Totals, actual condition	Oct. 6	-----	219,781,000	14,396,000	3,914,000	5,327,000	2,781,000	27,280,000	5,338,000	231,069,000	2,147,000	-----
Totals, actual condition	Sept. 29	-----	217,413,000	15,034,000	3,853,000	5,660,000	2,474,000	25,515,000	5,382,000	228,775,000	2,192,000	-----
Totals, actual condition	Sept. 22	-----	216,516,000	15,581,000	4,109,000	5,805,000	2,476,000	17,096,000	5,184,000	219,613,000	210,000	-----
Trust Companies.	Not Mem.	bers of Federal Reserve Bank										
Brooklyn Trust Co.	1,500,000	2,952,700	33,545,000	1,136,000	253,000	238,000	284,000	1,329,000	2,633,000	26,566,000	4,394,000	-----
Bankers Trust Co.	11,250,000	15,383,900	247,797,000	12,542,000	125,000	229,000	677,000	18,065,000	11,818,000	211,425,000	34,137,000	-----
U. S. Mtge. & Trust Co.	2,000,000	4,452,600	65,565,000	1,886,000	135,000	109,000	225,000	5,665,000	3,510,000	53,301,000	11,703,000	-----
Title Guar. & Trust Co.	5,000,000	12,134,000	41,093,000	1,905,000	168,000	189,000	256,000	1,280,000	977,000	25,593,000	1,167,000	-----
Fidelity Trust Co.	1,000,000	1,197,400	10,722,000	710,000	69,000	75,000	45,000	427,000	522,000	8,547,000	905,000	-----
Lawyers Title & Tr. Co.	4,000,000	5,104,300	24,710,000	641,000	186,000	28,000	177,000	1,641,000	244,000	17,180,000	461,000	-----
Columbia Trust Co.	5,000,000	6,512,800	83,148,000	5,137,000	242,000	701,000	389,000	3,208,000	2,887,000	64,153,000	18,945,000	-----
Peoples Trust Co.	1,000,000	1,253,300	24,161,000	592,000	103,000	350,000	314,000	1,629,000	653,000	22,588,000	1,534,000	-----
New York Trust Co.	3,000,000	11,230,000	75,928,000	3,896,000	64,000	36,000	93,000	6,426,000	-----	62,391,000	8,595,000	-----
Franklin Trust Co.	1,000,000	1,187,300	18,622,000	536,000	342,000	257,000	260,000	1,240,000	595,000	16,915,000	1,923,000	-----
Lincoln Trust Co.	1,000,000	553,300	13,694,000	821,000	128,000	293,000	62,000	647,000	207,000	12,947,000	1,247,000	-----
Metropolitan Trust Co.	2,000,000	4,494,600	54,179,000	1,466,000	110,000	78,000	256,000	6,678,000	266,000	50,740,000	3,950,000	-----
Totals, avg. for week	37,750,000	66,456,200	693,164,000	31,263,000	1,925,000	2,583,000	3,038,000	14,823,000	24,312,000	157,246,000	88,961,000	-----
Totals, actual condition	Oct. 13	-----	700,933,000	31,40								

The State Banking Department reports weekly figures showing the condition of State banks and trust companies in New York City not in the Clearing House, and these are shown in the following table:

SUMMARY OF STATE BANKS AND TRUST COMPANIES IN GREATER NEW YORK, NOT INCLUDED IN CLEARING HOUSE STATEMENT.
(Figures Furnished by State Banking Department.)

	Oct. 13.	Differences from previous week.
Loans and investments	\$838,263,500	Inc. \$4,021,600
Specie	57,495,300	Dec. 7,800
Currency and bank notes	11,229,900	Inc. 464,700
Due from F. R. Bank of New York	5,120,800	Inc. 1,329,800
Total deposits	997,764,600	Inc. 3,236,500
Deposits eliminating amounts due from reserve depositaries and from other banks and trust companies in N. Y. City, exchanges and U. S. deposits	859,787,100	Inc. 12,591,800
Reserve on deposits	184,760,000	Dec. 1,286,800
Percentage of reserve, 24.2%.		

RESERVE.

	State Banks	Trust Companies
Cash in vaults	\$12,865,000 11.18%	\$60,981,000 9.44%
Deposits in banks and trust cos.	15,169,800 13.18%	95,744,200 14.81%
Total	\$28,034,800 24.36%	\$156,725,200 24.25%

The averages of the New York City Clearing House banks and trust companies, combined with those for the State banks and trust companies in Greater New York City outside of the Clearing House, compare as follows for a series of weeks past:

COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK.
We omit two ciphers in all these figures.

Week Ended—	Loans and Investments	Demand Deposits	Specie	Legal Tenders	Total Cash in Vault	Reserve in Depositaries
July 21	\$ 4,648,569.3	\$ 4,357,673.4	\$ 253,222.4	\$ 51,494.8	\$ 304,717.2	\$ 542,251.6
July 28	4,619,359.2	4,414,094.9	272,244.7	50,081.6	322,326.3	622,761.8
Aug. 4	4,586,150.2	4,421,443.0	253,147.1	42,216.7	295,363.8	677,656.8
Aug. 11	4,628,044.8	4,434,759.0	251,205.2	42,943.0	294,148.2	644,247.2
Aug. 18	4,701,510.7	4,370,867.2	245,643.8	42,498.6	258,142.4	568,014.9
Aug. 25	4,665,195.5	4,375,602.6	239,778.8	42,127.9	281,906.7	580,079.3
Sept. 1	4,698,954.2	4,425,359.4	223,683.8	43,419.1	267,102.9	578,289.4
Sept. 8	4,692,376.4	4,377,888.8	209,834.0	43,859.5	253,693.5	546,135.3
Sept. 15	4,645,698.3	4,374,901.1	206,401.2	45,759.5	252,160.7	575,446.1
Sept. 22	4,722,059.0	4,347,960.5	201,925.6	44,614.0	246,539.6	592,168.7
Sept. 29	4,739,736.5	4,376,818.1	197,019.8	44,260.0	241,279.8	574,456.3
Oct. 6	4,795,695.9	4,402,615.3	191,423.1	42,630.2	234,053.3	606,777.5
Oct. 13	4,827,878.5	4,446,267.1	180,862.3	44,885.7	225,748.0	636,841.0

† Included with "Legal Tenders" are national bank notes and Fed. Reserve notes held by State banks and trust cos. but not those held by Fed. Reserve members.

In addition to the returns of "State banks and trust companies in New York City not in the Clearing House," furnished by the State Banking Department, the Department also presents a statement covering all the institutions of this class in the whole State. The figures are compiled so as to distinguish between the results for New York City (Greater New York) and those for the rest of the State, as per the following:

For definitions and rules under which the various items are made up, see "Chronicle," V. 98, p. 1661.

The provisions of the law governing the reserve requirements of State banking institutions as amended May 22 1917 were published in the "Chronicle" May 19 1917 (V. 104, p. 1975). The regulations relating to calculating the amount of deposits and what deductions are permitted in the computation of the reserves were given in the "Chronicle" April 4 1914 (V. 98, p. 1045).

STATE BANKS AND TRUST COMPANIES.

Week ended Oct. 13.	State Banks in Greater N. Y.	Trust Cos. in Greater N. Y.	State Banks outside of Greater N. Y.	Trust Cos. outside of Greater N. Y.
Capital as of June 20	\$ 24,050,000	\$ 89,550,000	\$ 12,488,000	\$ 19,600,700
Surplus as of June 20	41,732,300	178,822,000	15,164,946	17,526,400
Loans and Investments	430,137,200	1,860,594,600	187,324,400	310,228,700
Change from last week	-588,900	+24,026,900	+335,800	+1,146,100
Specie	26,411,500	86,940,100	—	—
Change from last week	+91,700	-14,240,400	—	—
Currency and bank notes	19,864,800	14,450,700	—	—
Change from last week	+543,500	+497,800	—	—
Due from F. R. Bk. of N. Y.	28,525,200	89,594,300	—	—
Change from last week	-2,169,700	+43,072,400	—	—
Deposits	548,133,900	2,159,969,300	201,163,000	319,263,200
Change from last week	-11,544,600	+11,746,800	+1,337,900	-242,900
Reserve on deposits	103,639,300	348,162,700	33,027,400	39,618,300
Change from last week	-200	+8,003,300	+1,114,200	+432,500
P. C. reserve to deposits	25.0%	21.3%	19.6%	16.0%
Percentage last week	24.6%	21.0%	19.0%	16.0%

+ Increase over last week. — Decrease from last week.

Non-Member Banks and Trust Companies.—Following is the report made to the Clearing House by clearing non-member institutions which are not included in the "Clearing House return" on the preceding page:

RETURN OF NON-MEMBER INSTITUTIONS OF NEW YORK CLEARING HOUSE.

CLEARING NON-MEMBERS.	Capital.	Net Profits.	Loans, Discounts, Investments, &c.	Gold.	Legal Tenders.	Silver.	National Bank & Federal Reserve Notes.	Reserve with Legal Depositaries.	Additional Deposits with Legal Depositaries.	Net Demand Deposits.	Net Time Deposits.	National Bank Circulation.
Week Ending Oct. 13 1917.	(Nat. banks Sept. 11)	(State banks Sept. 8)										
Members of Federal Reserve Bank			Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.
Battery Park Nat. Bank	\$ 400,000	\$ 461,900	\$ 6,203,000	\$ 19,000	\$ 38,000	\$ 26,000	\$ 165,000	\$ 1,095,000	\$ 394,000	\$ 6,552,000	\$ 51,000	\$ 194,000
First Nat. Bank, Brooklyn	300,000	705,600	6,344,000	56,000	13,000	115,000	27,000	516,000	597,000	5,042,000	755,000	292,000
Nat. City Bank, Brooklyn	300,000	611,900	5,851,000	77,000	42,000	104,000	14,000	543,000	810,000	5,271,000	374,000	119,000
First Nat. Bank, Jersey City	400,000	1,323,700	6,049,000	197,000	375,000	83,000	106,000	850,000	2,828,000	5,686,000	240,000	392,000
Hudson Co. Nat., Jersey City	250,000	780,800	5,618,000	78,000	18,000	74,000	106,000	323,000	686,000	4,327,000	450,000	198,000
First Nat. Bank, Hoboken	220,000	678,300	6,904,000	43,000	11,000	47,000	174,000	316,000	717,000	2,914,000	3,461,000	218,000
Second Nat. Bank, Hoboken	125,000	308,600	5,481,000	60,000	23,000	65,000	20,000	272,000	612,000	2,840,000	2,358,000	99,000
Total	1,995,000	4,870,800	42,450,000	530,000	520,000	514,000	612,000	3,915,000	6,644,000	32,632,000	7,689,000	1,512,000
State Banks, Not Members of the Federal Reserve Bank.												
Bank of Washington Heights	100,000	458,200	2,254,000	154,000	7,000	63,000	21,000	121,000	16,000	2,042,000	—	—
Colonial Bank	500,000	933,200	9,023,000	573,000	191,000	451,000	129,000	590,000	542,000	9,836,000	—	—
Columbia Bank	300,000	673,000	10,709,000	792,000	30,000	290,000	135,000	603,000	288,000	10,050,000	—	—
International Bank	500,000	125,500	4,425,000	293,000	1,000	47,000	204,000	264,000	87,000	4,303,000	280,000	—
Mutual Bank	200,000	499,300	7,865,000	638,000	52,000	193,000	82,000	495,000	35,000	8,187,000	226,000	—
New Netherland Bank	200,000	200,100	4,102,000	177,000	123,000	196,000	49,000	197,000	—	4,153,000	335,000	—
W. R. Grace & Co.'s Bank	500,000	613,100	5,059,000	301,000	1,000	—	—	150,000	228,000	2,468,000	2,494,000	—
Yorkville Bank	100,000	544,100	6,907,000	520,000	85,000	270,000	113,000	452,000	375,000	7,533,000	16,000	—
Mechanics' Bank, Brooklyn	1,600,000	774,700	21,806,000	930,000	264,000	737,000	408,000	1,339,000	1,287,000	22,312,000	14,000	—
North Side Bank, Brooklyn	200,000	182,400	4,276,000	253,000	44,000	124,000	95,000	212,000	399,000	4,038,000	400,000	—
Total	4,200,000	5,003,600	76,426,000	4,631,000	798,000	2,371,000	1,236,000	4,423,000	3,257,000	74,927,000	3,765,000	—
Trust Companies, Not Members of the Federal Reserve Bank.												
Hamilton Trust Co., Brooklyn	500,000	1,033,600	9,816,000	550,000	18,000	17,000	40,000	385,000	444,000	7,691,000	1,426,000	—
Mechanics' Tr. Co., Bayonne	200,000	333,200	6,391,000	90,000	58,000	112,000	65,000	208,000	203,000	3,470,000	3,001,000	—
Total	700,000	1,366,800	16,207,000	640,000	76,000	129,000	105,000	593,000	652,000	11,161,000	4,427,000	—
Grand aggregate	6,895,000	11,241,200	135,083,000	5,801,000	1,394,000	3,014,000	1,953,000	8,931,000	10,553,000	118,720,000	15,881,000	1,512,000
Comparison previous week	—	—	-444,000	+262,000	+47,000	+79,000	+102,000	-114,000	-141,000	+261,000	+55,000	-4,000
Excess reserve, \$66,090	Increase	—	—	—	—	—	—	—	—	—	—	—
Grand aggregate Oct. 6	6,895,000	11,241,200	135,527,000	5,539,000	1,347,000	2,935,000	1,851,000	9,045,000	11,972,000	118,459,000	15,826,000	1,516,000
Grand aggregate Sept. 29	6,795,000	11,375,300	135,301,000	5,731,000	1,273,000	2,930,000	1,825,000	8,979,000	11,246,000	118,888,000	15,603,000	1,517,000
Grand aggregate Sept. 22	6,795,000	11,375,300	136,634,000	5,709,000	1,428,000	2,869,000	1,702,000	8,921,000	11,970,000	118,024,000	14,697,000	1,519,000
Grand aggregate Sept. 15	6,795,000	11,375,300	136,445,000	5,916,000	1,315,000	2,952,000	1,824,000	8,925,000	10,805,000	118,376,000	14,862,000	1,522,000
Grand aggregate Sept. 8	6,795,000	11,375,300	135,549,000	5,638,000	1,207,000	2,816,000	1,457,000	8,858,000	11,150,000	116,934,000	15,168,000	1,511,000

a U. S. deposits deducted, \$1,074,000.

Boston Clearing House Banks.—We give below a summary showing the totals for all the items in the Boston Clearing House weekly statement for a series of weeks:

BOSTON CLEARING HOUSE MEMBERS.

	Oct 13 1917.	Change from previous week.	Oct. 6 1917.	Sept. 29 1917.
Circulation	\$5,501,000	Inc.	\$5,000	\$5,496,000
Loans, disc'ts & investments	449,806,000	Inc.	661,000	449,145,000
Individual deposits, incl. U. S.	372,412,000	Inc.	3,453,000	368,959,000
Due to banks	134,234,000	Inc.	4,510,000	129,724,000
Time deposits	30,574,000	Dec.	118,000	30,692,000
Exchanges for Clear. House	16,607,000	Inc.	89,000	16,518,000
Due from other banks	90,036,000	Inc.	7,414,000	82,662,000
Cash in bank & in F. R. Bank	58,635,000	Dec.	828,000	59,463,000
Reserve excess in bank and Federal Reserve Bank	17,717,000	Dec.	871,000	18,588,000

Philadelphia Banks.—Beginning with July 21 the Philadelphia Clearing House returns have been issued in altered form, and excess reserves are now calculated on the

basis of 10% reserve for demand deposits and 3% for time deposits. Previously the basis was 15% against demand deposits alone. Reserve requirements of trust companies remain on old basis of 15%. See volume 105 page 333.

	Week ending Oct. 13 1917			Oct. 6 1917.	Sept. 29 1917.
Two ciphers (00) omitted.	Nat. Banks	Trust Cos.	Total.		
Capital	\$20,475.0	\$11,000.0	\$31,475.0	\$31,475.0	\$31,475.0
Surplus and profits	47,387.0	33,870.0	81,257.0	81,194.0	81,196.0
Loans, disc'ts & investm'ts	418,503.0	155,717.0	574,220.0	569,995.0	566,942.0
Exchanges for Clear. House	21,232.0	2,230.0	23,462.0	24,835.0	22,193.0
Due from banks	123,673.0	1,972.0	125,645.0	126,919.0	121,468.0
Bank deposits	168,487.0	3,946.0	172,433.0	173,813.0	168,354.0
Individual deposits	360,295.0	134,001.0	494,296.0	491,217.0	483,534.0
Time deposits	3,905.0	—	3,905.0	4,100.0	3,920.0
Total deposits	532,687.0	137,947.0	670,634.0	669,130.0	655,808.0
U. S. deposits (not included)	—	—	11,130.0	10,992.0	11,207.0
Res'v with Fed. Res. Bk.	43,841.0	15,690.0	59,501.0	60,248.0	57,751.0
Cash in vault *	16,725.0	7,550.0	24,275.0	22,860.0	23,136.0
Total reserve & cash held	60,566.0	23,210.0	83,776.0	83,108.0	80,887.0
Reserve required	38,504.0	20,061.0	58,565.0	58,179.0	57,506.0
Excess res. & cash in vault	22,062.0	3,149.0	25,211.0	24,929.0	23,381.0

* Cash in vault is not counted as reserve for F. R. Bank members.

Bankers' Gazette.

Wall Street, Friday Night, Oct. 19 1917.

The Money Market and Financial Situation.—The liquidation movement in securities, frequently noted of late, reached a halting place early this week. The volume of business has steadily decreased and possibly this may signify that the movement referred to has run its course and that the recovery which immediately set in will be permanent. One of the reasons for the change of sentiment implied above is a prospect that the Inter-State Commerce Commission will grant a request of the railroads for an increase of freight rates. The latter is now so imperative and so vital that its refusal by the Commission seems impossible.

Other than this prospect, there is no change worthy of note in the general situation. It is reported from the iron and steel industry that some large orders have recently been placed—notably one by the Government for 150 torpedo-boat destroyers with the Bethlehem Steel Co.—and that prices are officially fixed for the various kinds and grades of the metal are proving satisfactory to producers.

The successes which have resulted from German military and naval operations in the Gulf of Riga, although of considerable importance, have been generally foreseen, and, therefore, had little effect outside the locality mentioned. No doubt, however, that German hopes of ultimate triumph will be stimulated and perhaps the war prolonged thereby.

The approaching elections are daily attracting more and more attention. It would, indeed, seem a pity if the Mayor who, to quote one who is thoroughly well informed, "has given New York City the best government it ever had," should fail of re-election. And yet, with three candidates in the field, such is a possibility.

Foreign Exchange.—In sterling exchange there is no new development. Cable transfers remained pegged at 4 7/8 7-16. Otherwise the changes have been trivial. In the Continental exchanges very little has been passing. Rubles closed at 14.00, the lowest figure of the week.

To-day's (Friday's) actual rates for sterling exchange were 4 7/8 @ 4 7/8 for sixty days, 4 7/8 1/2 @ 4 7/8 3-16 for checks and 4 7/8 7-16 for cables. Commercial on banks, sight, 4 7/8 @ 4 7/8, sixty days, 4 7/8 1/2; ninety days, 4 6/8 1/2, and documents for payment (sixty days), 4 7/8 1/2. Cotton for payment, 4 7/8 @ 4 7/8 and grain for payment 4 7/8 @ 4 7/8.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 85 @ 5 85 1/2 for long and 5 80 for short. Germany bankers' marks were not quoted for sight, nominal for long and nominal for short. Amsterdam bankers' guilders were 42 13-16 for long and 42 15-16 for short.

Exchange at Paris on London, 27.18 fr.; week's range, 27.18 fr. high and 27.18 fr. low.

Exchange at Berlin on London, not quotable.

The range for foreign exchange for the week follows:

Sterling Actual—	Sixty Days.	Checks.	Cables.
High for the week—	4 7/8	4 7/8 1/2	4 7/8 7-16
Low for the week—	4 7/8	4 7/8 1/2	4 7/8 7-16
Paris Bankers' Francs—			
High for the week—	5 85	5 79 1/4	5 77 1/2
Low for the week—	5 85 1/2	5 79 3/4	5 77 3/4
Germany Bankers' Marks—			
High for the week—	---	---	---
Low for the week—	---	---	---
Amsterdam Bankers' Guilders—			
High for the week—	44 13-16	45	45 1/4
Low for the week—	42 5-16	42 1/4	42 3/4

Domestic Exchange.—Chicago, 10c. per \$1,000 discount. Boston, par. St. Louis, 15c. per \$1,000 discount bid and 5c. discount asked. San Francisco, par. Montreal, \$3 43/75 per \$1,000 premium. Minneapolis, 10c. per \$1,000 premium. Cincinnati, par.

State and Railroad Bonds.—Sales of State bonds at the Board are limited to \$5,000 N. Y. Canal 4 1/2s at 100 3/4.

Owing to unusually heavy dealings in Government issues, foreign and domestic, the bond market has been active, and, in sympathy with the tendency of shares, prices have advanced. Of a list of 12 conspicuously active issues, 7 have advanced, 3 are slightly lower and 2 unchanged. Among the exceptional features are Cent. Leath. 5s, which have declined 2 points, and U. S. Steel 5s, showing a net gain of 1 1/2.

Among the notably active bonds are Am. Tel. & Tel., Ches. & Ohio, Rock Island, Mo. Pac., New York Cent., Penn. Ry., St. Louis & San F., So. Pac., U. S. Rubber and U. S. Steel issues.

United States Bonds.—Sales of Government bonds at the Board include, in addition to a large amount of L. L. 3 1/2s at 99.70 to 99.80, \$1,000 4s coup. at 106, \$3,000 3s coup. at 99, \$2,500 3s reg. at 98 7/8, and \$2,000 Panama 3s coup. at 85 3/8 to 86. For to-day's prices of all the different issues and for weekly ranges see third page following.

Railroad and Miscellaneous Stocks.—A further heavy decline in prices on Monday carried a long list of stocks to the lowest quotations of the year, or of recent years. From these there has been a substantial rally, however, and net gains for the week are generally recorded in both railway and miscellaneous issues. Some of the latter covered an exceptionally wide range, including Beth. Steel and International Merc. Mar. pfd. with a record of 14 points. U. S. Ind. Alcohol covered 9 1/4 points, Atl. Gulf & W. I. SS. 9, Dist. Sec. 8 1/4, and Texas Co., Gen. Motors and Am. Smelt. & Ref. between 7 and 8. On the other hand, Peoples Gas, Chicago, continued the decline begun last week and added 6 points to the loss then noted.

The railway list was less erratic, although Reading covered more than 7 points and others from 3 to 5.

To-day's market was active and strong. The transactions nearly equaled Monday's heavy total and a considerable

number of industrial stocks added from 1 to 3 points to yesterday's advance.

For daily volume of business see page 1609.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

STOCKS. Week ending Oct. 19.	Sales for Week.	Range for Week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
Am Brake Shoe & F. pf. 100	10 172	Oet 15 172	Oet 15 176	Apr 200	June
American Express 100	100 88 1/4	Oet 16 88 1/4	Oet 16 88 1/4	Oet 128 1/4	Jan
American Smelt. 100	100 109	Oet 17 109	Oet 17 109	Oet 142	Feb
Preferred 100	200 98	Oet 15 98	Oet 15 98	Oet 104 1/4	Apr
Am Sumatra Tob. pf. 100	300 80	Oet 17 80	Oet 18 80	Oet 98	June
Amer Teleg. & Cable 100	110 57 1/4	Oet 15 57 1/4	Oet 15 57 1/4	Oet 66	Mar
Assets Realization 100	200 1	Oet 15 1	Oet 15 1	Sept 4	Feb
Associated Oil 100	300 57	Oet 16 58	Oet 19 57	May 78 1/4	Jan
Atlanta Birm. & Atl. 100	300 11	Oet 18 11 1/2	Oet 15 11	Oet 17 1/4	Apr
Barrett, pref. 100	200 100 1/4	Oet 16 102	Oet 19 100	Oet 117	Feb
Batoplias Mining 20	1,100 1 1/4	Oet 15 1 1/4	Oet 15 1 1/4	June 2 1/4	Sept
Bethlehem Steel, pref	32,900 94	Oet 15 101	Oet 19 93 1/4	Oet 101	Oet
sub recs full paid 100	400 92	Oet 18 93	Oet 19 92	Oet 129	Jan
Brooklyn Union Gas 100	300 6 3/4	Oet 17 7	Oet 16 6 3/4	Oet 14 1/4	June
Brumfield Terminal 100	1,200 95	Oet 15 99	Oet 19 89	Jan 125 1/4	Apr
Burns Brothers 100	1,200 36 1/2	Oet 16 37 1/4	Oet 15 36	Aug 42 1/4	Aug
Calif Packing, no par	100 65	Oet 18 67	Oet 16 65	Oet 84 1/4	May
Calumet & Arizona 100	100 80	Oet 15 80	Oet 15 80	July 88	Jan
Case (J. I.), pref. 100	800 28	Oet 17 30 1/4	Oet 18 25 1/4	Sept 36 1/4	Aug
Central Foundry 100	100 44	Oet 19 44	Oet 19 40	Sept 53 1/4	Aug
Preferred 100	1,000 8 3/4	Oet 18 10	Oet 18 8	Oet 21	Jan
Chicago & Alton 100	400 4	Oet 15 4 1/4	Oet 16 4	Oet 12 1/4	Jan
C & E Ills pref trust rec. 100	463 82	Oet 17 87 1/4	Oet 16 82	Oet 112 1/4	Jan
C St P M & Omaha 100	100 101 1/4	Oet 16 101 1/4	Oet 16 101 1/4	Oet 115 1/4	Feb
Clemt, Peabody, pref. 100	300 12	Oet 16 12	Oet 17 12	Sept 21	Jan
Cons Interstate Cail. 10	350 99	Oet 16 99 1/4	Oet 17 96 1/4	Feb 100 1/4	Aug
Deere & Co, pref. 100	100 3 1/2	Oet 15 3 1/2	Oet 15 3 1/2	Oet 5 3/4	Jan
Duluth S S & Atl. 100	100 5 1/2	Oet 19 5 1/2	Oet 19 5 1/4	Oet 11 1/4	Mar
Preferred 100	400 22	Oet 17 24	Oet 19 22	Oet 38 1/4	June
Elk Horn Coal 100	400 14 1/4	Oet 16 15	Oet 17 11 1/4	Feb 26 1/4	Aug
Federal Min & Smelt. 100	400 36 1/4	Oet 15 39	Oet 17 37	Jan 54 1/4	July
Preferred 100	60 84	Oet 17 84	Oet 17 85 1/4	Sept 95	Mar
Fisher Body, pref. 100	1,600 31	Oet 17 33	Oet 15 28	Feb 41 1/4	Aug
Gaston, W & W, Inc no par	300 190	Oet 15 191	Oet 15 190	Oet 250	Jan
General Chemical 100	100 13	Oet 18 13	Oet 18 13	Oet 17 1/4	Aug
Gulf Mob & N st k r cts 100	1,200 31	Oet 16 32	Oet 15 31	Oet 40	June
Hask & Bark Car. no par	100 102	Oet 16 102	Oet 16 101	July 131 1/4	Jan
Homestake Mining 100	300 64	Oet 15 65 1/4	Oet 19 64	Oet 88	Jan
Int Harvest Corp. 100	100 103	Oet 16 103	Oet 16 101	July 114	Jan
Preferred 100	200 98	Oet 15 98	Oet 15 97 1/4	Oet 108	Jan
Int Nickel, of v t c. 100	100 39 1/4	Oet 15 39 1/4	Oet 15 35 1/4	Aug 78	Jan
Jewel Tea, Inc 100	100 85	Oet 17 85	Oet 17 85	Oet 93	Mar
Kelly-Springf., pref. 100	100 80	Oet 15 80	Oet 15 80	Oet 81	Aug
Kelsey Wheel, pref. 100	100 104	Oet 18 104	Oet 18 104	Oet 107 1/4	June
Kress (S. H.), pref. 100	200 179 1/4	Oet 15 180	Oet 15 179 1/4	Oet 281	Jan
Liggett & Myers Tob 100	1,450 102	Oet 16 103 1/4	Oet 15 102	Oet 125 1/4	Jan
Preferred 100	870 105	Oet 19 107 1/4	Oet 15 105	Oet 129 1/4	Jan
Manhat (Elev) Ry 100	200 101	Oet 16 101 1/4	Oet 17 101	Oet 107 1/4	Jan
May Dept Stores, pf. 100	29 75	Oet 17 77	Oet 15 75	Oet 77	May
Morris & Essex 50	2,300 29 1/4	Oet 17 30 1/4	Oet 19 29 1/4	Oet 35 1/4	July
National Acme 100	100 65	Oet 19 65	Oet 19 65	Oet 84	Jan
Natl Cloak & Suit 100	300 103	Oet 16 103	Oet 16 103	Oet 112 1/4	Jan
Preferred 100	200 6 1/4	Oet 16 6 1/4	Oet 15 4 1/4	Aug 8 1/4	Sept
Nat Rys Mex 2d pref 100	200 22	Oet 18 22	Oet 18 15 1/4	June 36 1/4	Aug
N O Tex & Mex v t c. 100	200 15	Oet 17 16	Oet 15 12 1/4	Mar 21	Aug
New York Dock 100	800 78 1/4	Oet 15 80	Oet 16 78 1/4	Oet 125	Jan
Nova Scotia S & C. 100	100 45	Oet 18 45	Oet 18 44 1/4	Oet 54	Feb
Ohio Fuel Supply 25	1,000 80	Oet 15 80 1/4	Oet 17 79 1/4	Oet 106	Jan
Owens Bottle-Mach. 25	100 20	Oet 15 20	Oet 15 20	Oet 34 1/4	Jan
Pacific Tel & Tel. 100	200 32	Oet 18 34	Oet 15 32	Oet 41 1/4	June
Pierce-Arrow MC no par	100 93 1/4	Oet 16 93 1/4	Oet 16 93	Sept 98 1/4	Aug
Preferred 100	150 69 1/4	Oet 16 69 1/4	Oet 16 66	May 82	Jan
Pitts C C & St L. 100	170 97	Oet 16 97	Oet 16 97	Oet 102	Jan
Pittsb Steel, pref. 100	200 1 1/4	Oet 15 1 1/4	Oet 15 1	Sept 4 1/4	Feb
Quicksilver Min, pref 100	1,100 58	Oet 16 65	Oet 19 58	Oet 108	June
Savage Arms Corp. 100	6,900 232	Oet 15 37 1/4	Oet 19 232	Oet 51 1/4	June
Superior Steel 100	100 100	Oet 19 100	Oet 19 99 1/4	May 102 1/4	July
First preferred 100	400 67 1/4	Oet 18 68 1/4	Oet 17 67 1/4	Oet 80	Feb
United Drug 100	200 20	Oet 15 20 1/4	Oet 15 20	Sept 33 1/4	May
United Paperboard 100	100 11	Oet 16 11	Oet 16 10	Jan 22 1/4	Jan
U S Realty & Impt. 100	200 7	Oet 17 7	Oet 17 6	Apr 10 1/4	May
Vulcan Detinning 100	100 23 1/4	Oet 17 23 1/4	Oet 17 20	May 24 1/4	May
Preferred 100	350 87 1/4	Oet 19 88 1/4	Oet 16 87 1/4	Oet 144	Jan
Wells Fargo Express 100	300 14 1/4	Oet 15 15 1/4	Oet 16 12 1/4	Apr 18 1/4	May
Western Pacific 100					

Outside Market.—In sympathy with the decline on the Stock Exchange, prices in the "curb" market at the opening this week developed pronounced weakness, but generally thereafter a strong tone prevailed. Trading lapsed into extreme dullness. Aetna Explosives com., after a loss of almost a point to 3 1/2, sold up to 5 1/2 and closed to-day at 5. Air Reduction com. was active, losing about 7 points in the early trading to 77, then recovering to 85, the close to-day being at 84. Chevrolet Motor dropped from 78 to 71, moved up to 79 1/2 and ends the week at 78. A loss of 8 points was recorded by Cities Service com. when the stock sold down to 215, the final figure to-day showing a recovery to 218 1/2. Curtiss Aerop. & M. com. declined from 35 to 32, with the closing sale to-day at 33 1/2. Inter-Lube Chemical maintained its firm tone, fluctuating between 3 1/4 and 3 5/8 and closing to-day at 3 1/4. St. Joseph Lead was off a point to 17. Steel Alloys Corp. weakened from 7 1/2 to 6 1/4. Submarine Boat receded from 15 1/2 to 14, sold back to 15 3/4 and at 15 1/2 finally. United Motors was active, dropping from 21 1/4 to 19 and recovering to 22 1/2, with the close to-day at 22. Wright-Martin lost a point in the beginning of the week to 8 1/8, recovering to 8 7/8 and finished to-day at 8 3/4. A number of substantial increases were recorded in Standard Oil shares, of which Standard Oil of N. J. was conspicuous. From 503 it fell to 497, but jumped to 545, the close to-day being at 542. Anglo-Amer. Oil after fractional loss to 16 improved to 18 1/2 and sold finally at 18 1/4. Standard Oil of N. Y. at first lost 5 points to 228, sold up to 256, and ends the week at 254. The other oil stocks also made good gains. Merritt Oil from 29 1/4 sold up to 36 1/4, resting at 35 1/4. Midwest Refining improved from 131 to 144, reacting finally to 140. In bonds the Canadian Govt. 5s were heavily traded in down from 94 1/4 to 93 1/4 and up finally to 93 3/4. Russian Govt. bonds were conspicuously weak, the 6 1/2s dropping from 76 to 70 and the 5 1/2s from 66 to 61 1/2. Final figures were 71 3/4 for the former and 62 for the latter.

A complete record of "curb" transactions for the week will be found on page 1609.

New York Stock Exchange—Bond Record, Friday, Weekly and Yearly 1603

In Jan. 1909 the Exchange method of quoting bonds was changed and prices are now—"and interest"—except for income and defaulted bonds.

N. Y. STOCK EXCHANGE										N. Y. STOCK EXCHANGE									
BONDS										BONDS									
Week ending Oct. 19.										Week ending Oct. 19.									
		Interest		Price		Week's		Range				Interest		Price		Week's		Range	
		Period		Friday		Range or		Since				Period		Friday		Range or		Since	
				Oct. 19.		Last Sale		Jan. 1.						Oct. 19.		Last Sale		Jan. 1.	
				Bid	Ask	Low	High	No.	Low	High					Bid	Ask	Low	High	No.
U. S. Government.																			
U S 3 1/4 Liberty Loan (w 1) 1947	J-D			99.72	Sale	99.70	99.80	16910	99	100.30	Chesapeake & Ohio (Con)—								
U S 2s consol registered.....	Q-J			97		97 1/2	Sept '17		96 1/2	99 1/2	rotta Creek 1st 1st 4s.....	1946	J-J	70	80	84 1/2	Jan '13		
U S 2s consol coupon.....	Q-J			96 3/4	97 1/2	99 1/2	Jan '17		99 3/4	99 3/4	R & A Div 1st con g 4s.....	1989	J-J	75	82	80 1/2	Sept '17		
U S 3s registered.....	Q-F			99	100	98 1/2	98 1/2	2	98 1/2	99 1/2	2d consol gold 4s.....	1989	J-J	71	32	71			
U S 3s coupon.....	Q-F			99		99	99	3	98 1/2	101 1/2	Greenbrier Ry 1st gu g 4s 1940	M-N	*70		88 1/2	Sept '16			
U S 4s registered.....	Q-F			105	105 1/2	105 1/2	Oct '17		104 1/2	110	Warm Springs V 1st g 5s.....	1941	M-S	*85		113 1/2	Feb '15		
U S 4s coupon.....	Q-F			105	106	106	106	1	104 1/2	111 1/2	Chic & Alton RR ref g 3s.....	1949	A-O		58 1/2	Oct '17			
U S Pan Canal 10-30-yr 2s.....	Q-N			97 1/2		98 1/4	Oct '15				Radio City 1st 1st 3 1/4s.....	1950	J-J	38	42	40			
U S Pan Canal 10-30-yr 2s.....	Q-N			97 1/2		97	July '15				Chic B & Q Denver Div 4s.....	1922	F-A	99	100	100	Sept '17		
U S Panama Canal 3s g.....	Q-M			85 1/2	Sale	85 1/2	86	2	85	102 1/2	Hillside Div 3 1/4s.....	1949	J-J	75	76 1/2	77			
U S Philippine Island 4s 1914-34	Q-F					100	Feb '15				Hillside Div 4s.....	1949	J-J	86 1/2	91	86	Oct '17		
Foreign Government.																			
Amer Foreign Secur 5s.....	F-A			95	Sale	95	95 1/2	205	93	98 1/2	Iowa Div sinking fund 5s.....	1919	A-O	*100 1/2	103 1/2	100 1/2	100 1/2	1	
Anglo-French 5-yr 5s Exter loan.	A-O			91 1/2	Sale	91	92	936	90 1/2	95 1/2	Sinking fund 4s.....	1919	A-O	97 1/2		98 1/2	Sept '17		
Argentine—Internal 5s of 1909.....	M-S			80 1/4	82 1/2	80 1/4	Oct '17		80 1/4	93	Joint bonds. See Great North								
Bordeaux (City of) 3-yr 6s 1919.....	M-N			89 1/2	Sale	89 1/2	91 1/2	80	89 1/2	96 1/2	Nebraska Extension 4s.....	1927	M-N	92	93	92			
Chinese (Hukuang Ry)—5s of '11.....	J-D			60	67 1/2	65	Oct '17		65	72 1/2	Registered.....	1927	M-N			98	July '16		
Cuba—External debt 5s of 1904.....	M-S			97	99	98 1/2	99	15	97	100	Southwestern Div 4s.....	1921	M-S			99 1/2	June '15		
Exter dt 5s of '14 ser A.....	F-A			97	97	97	97	4	92 1/2	97	General 4s.....	1958	M-S	84 1/2	Sale	84 1/2	84 1/2		
Exter loan 4 1/4s.....	F-A			86 1/4	86 1/4	86 1/4		2	86 1/4	86 1/2	Chic & E Ill ref & imp 4s g.....	1955	J-J	20	30 1/2	33	July '17		
Dominion of Canada g 5s.....	A-O			94 1/2	Sale	94 1/2	95 1/2	11	94 1/2	100 1/2	U S Mtg & Tr Co cts of dep.....	1934	A-O	100	101	100	Sept '17		
Do do.....	A-O			94 1/2	Sale	94 1/2	95	8	94 1/2	100	General consol 1st 5s.....	1937	M-N			87	June '17		
Do do.....	A-O			94 1/2	Sale	94 1/2	94 1/2	22	94 1/2	100 1/2	U S Mtg & Tr Co cts of dep.....					75	Sept '17		
French Repub 5 1/4s secured loan.....	F-A			88	88 1/2	88	88 1/2	184	88 1/2	101	Guar Tr Co cts of dep.....					90	July '17		
Japanese Govt—Loan 4 1/4s 1925.....	F-A			87 1/2	Sale	87 1/2	88 1/2	15	87 1/2	88 1/2	Purch money 1st coal 5s.....	1942	F-A	51		32	Mar '17		
Do do "German stamp".....	J-J			77	Sale	76 1/2	77 1/2	102	76 1/2	82	Chic & Ind C Ry 1st 5s.....	1936	J-J			62	Mar '17		
Sterling loan 4s.....	J-J			74	75	75 1/2	Oct '17		73 1/2	76 1/2	Chicago Great West 1st 4s.....	1959	M-S	62	Sale	62	63		
Lyons (City of) 3-yr 6s.....	M-N			89 1/2	Sale	89 1/2	91 1/2	68	89 1/2	97 1/2	Chic Ind & Louisv—Ref 6s 1947	J-J	100 1/2	110 1/2	112 1/2	Mar '17			
Marseilles (City of) 3-yr 6s.....	M-N			89 1/2	Sale	89 1/2	91 1/2	75	89 1/2	97	Refunding gold 5s.....	1947	J-J	80	90	100 1/2	Apr '17		
Mexico—Exter loan 5s of 1899.....	Q-J			48		49 1/2	July '17		40 1/2	50	Refunding 4s Series C.....	1917	J-J	65		84 1/2	Apr '17		
Gold debt 4s of 1904.....	J-D			35		35	Aug '17		35	39 1/2	Ind & Louisv 1st gu 4s.....	1956	J-J			70	Nov '16		
Paris, City of, 5-yr 6s.....	A-O			90 1/4	Sale	90	91 1/2	141	90	97	Chic Ind & Lou 50-yr 4s.....	1956	J-J			96 1/2	Jan '17		
Tokyo City—5s loan of 1912.....	M-S			75 1/2	79	76	76	2	75 1/2	80 1/2	Chic L S & East 1st 4 1/4s.....	1969	J-D	92	94	97 1/2	Dec '16		
O K of Gt Brit & I 2-yr 5s.....	M-N			98 1/4	Sale	98	98 1/4	833	95 1/2	98 1/2	Gen'l gold 4s Series A.....	1939	J-J	78 1/2	84	78 1/2	86 1/2	2	
3-yr 5 1/4 temp notes.....	M-N			94 1/2	Sale	94 1/2	95	405	94 1/2	98 1/2	Registered.....	1939	Q-J	82 1/2	83	82 1/2	Oct '17		
5-yr 5 1/4 temp notes.....	M-N			93 1/2	Sale	93 1/2	94 1/2	331	92 1/2	98 1/2	Permanent 4s.....	1925	J-D	72	Sale	71 1/2	72 1/2	88	
Temporary notes 5 1/4s.....	M-N			99 1/2	Sale	99 1/2	99 1/2	155	98	100 1/2	Gen ref conv Ser B 5s.....	2014	F-A	84 1/2	Sale	84	85	51	
Temporary notes 5 1/4s.....	M-N			98 1/2	Sale	98 1/2	98 1/2	411	98 1/2	101 1/2	Gen'l gold 3 1/4s Ser B.....	1989	J-J	72 1/2	78	72 1/2	Aug '17		
State and City Securities.																			
N Y City—4 1/4s Corp stock 1960.....	M-S			98	98 1/2	97 1/2	98 1/2	9	97 1/2	104 1/2	General 4 1/4s Series C.....	1989	J-J	87	90 1/2	86 1/2			
4 1/4s Corporate stock.....	M-S			97 1/2	98 1/4	97 1/2	98	2	97	105 1/2	25-year debenture 4s.....	1934	J-J	79	Sale	79	79 1/2	11	
4 1/4s Corporate stock.....	A-O			97 1/2	98 1/2	98 1/2	Sept '17		97 1/2	106	Convertible 4 1/4s.....	1932	J-D	73 1/2	Sale	73	80	54	
4 1/4s Corporate stock.....	J-D			101 1/2	Sale	101 1/2	101 1/2	18	101	111	Chic & L Sup Div g 5s.....	1921	J-J	97 1/2		99 1/2	Oct '17		
4 1/4s Corporate stock.....	M-S			101 1/2	Sale	101 1/2	101 1/2	18	101	110 1/2	Chic & Mo Riv Div 5s.....	1926	J-J	93		102	Aug '17		
4% Corporate stock.....	M-N			93 1/2	94	94	94	32	93 1/2	102 1/2	Chic & P W 1st g 5s.....	1921	J-J	97 1/2	99	99			
4% Corporate stock.....	M-N			94 1/2	95	94 1/2	Oct '17		93 1/2	102 1/2	C M & Puget Sd 1st gu 4s.....	1949	J-J		91 1/2	77 1/2	Sept '17		
4% Corporate stock.....	M-N			94	97	94 1/2	94 1/2	5	93 1/2	102 1/2	Dubuque Div 1st s f 6s.....	1920	J-J	100	106 1/2	100	100		
4% Corporate stock.....	M-N			92 1/2	93 1/2	92 1/2	Jan '16		93 1/2	102 1/2	Fargo & Sou assum g 6s.....	1924	J-J	100 1/2	108	104 1/2	Sept '17		
New 4 1/4s.....	M-N			101 1/2	102 1/4	101 1/2	101 1/2	2	101	110 1/2	La Crosse & D 1st 5s.....	1919	J-J	98	100 1/2	100 1/2	July '17		
New 4 1/4s.....	M-N			100 1/2	100 1/2	100 1/2	July '17		100	100 1/2	Wis & Minn Div g 5s.....	1921	J-J		91 1/2	100 1/2	Sept '17		
4 1/2% Corporate stock.....	M-N			101 1/2	106	101 1/2	Oct '17		101 1/2	110 1/2	Wis Valley Div 1st 6s.....	1920	J-J	100		107	Dec '16		
3 1/2% Corporate stock.....	M-N			82 1/2	83 1/2	84	Sept '17		84	91 1/2	Milw & No 1st ext 4 1/4s.....	1934	J-D	92	95	97 1/2	July '17		
N Y State—4s.....	M-S			101	101	101	July '17		101	105	Cons extended 4 1/4s.....	1934	J-D	92	95	102 1/2	Dec '16		
Canal Improvement 4s.....	J-J			100	101	100 1/2	July '17		100 1/2	106 1/2	Chic & Nor West Ex 4s 1886-1926	1926	F-A	88 1/2		91	Aug '17		
Canal Improvement 4s.....	J-J			100 1/2	102 1/2	100 1/2	July '17		100	102 1/2	Registered.....	1886-1926	F-A	82 1/2		97 1/2	Jan '17		
Canal Improvement 4 1/4s.....	J-J			107 1/2	110	109 1/2	109 1/2	5	107 1/2	117 1/2	General gold 3 1/4s.....	1987	M-N	74	75 1/2	76	Oct '17		
Canal Improvement 4 1/4s.....	J-J			103	105	103	Sept '17		103	103	Registered.....	1987	Q-F			79	Oct '16		
Highway Improv't 4 1/4s.....	M-S			107 1/2		110 1/4	Sept '17		109 1/4	117 1/2	General 4s.....	1987	M-N	86 1/2	87	89	Aug '17		
Highway Improv't 4 1/4s.....	M-S			103	105	108 1/4	Mar '17		108 1/4	110	Stamped 4s.....	1987	M-N	102	107 1/2	102 1/2	Oct '17		
Virginia funded debt 2-3s.....	J-J					78	Sept '17		78	87 1/2	General 5s stamped.....	1987	M-N	104 1/2		104 1/2	Oct '17		
6s deferred Brown Bros cts.....						50 1/4	June '17		50	61 1/4	Sinking fund 6s.....	1879-1929	A-O			109 1/2	Apr '16		
Railroad.																			
Ann Arbor 1st g 4s.....	Q-J			57	58	57	57	1	57	73 1/2	Registered.....	1879-1929	A-O			101	Oct '17		
Atch Top &																			

SHARE PRICES—NOT PER CENTUM PRICES.

Saturday Oct. 13	Monday Oct. 15	Tuesday Oct. 16	Wednesday Oct. 17	Thursday Oct. 18	Friday Oct. 19
145 145 45 46 *80 90 *22 23 *160 165 *2 5 *15 30 *34 34 *150 153 *98 98 *140 140 *50 52 *125 125 *84 84 *90 93 *32 32 *17 17 *26 26 *97 97 *23 23 *95 100 *37 38 *50 50	144 144 45 45 *87 90 *22 23 *162 162 *2 5 *15 30 *34 34 *150 153 *98 98 *140 140 *52 52 *125 125 *84 84 *90 93 *32 32 *17 17 *26 26 *96 96 *23 23 *95 100 *37 38 *51 53	144 144 45 45 *87 90 *22 23 *162 162 *2 5 *15 30 *34 34 *150 153 *98 98 *140 140 *52 52 *125 125 *84 84 *90 93 *32 32 *17 17 *26 26 *96 96 *23 23 *95 100 *37 38 *51 53	142 145 43 44 *87 90 *22 23 *162 162 *2 5 *15 30 *34 34 *150 153 *98 98 *140 140 *52 52 *125 125 *84 84 *90 93 *32 32 *17 17 *26 26 *96 96 *23 23 *95 100 *37 38 *51 53	144 144 45 45 *87 90 *22 23 *162 162 *2 5 *15 30 *34 34 *150 153 *98 98 *140 140 *52 52 *125 125 *84 84 *90 93 *32 32 *17 17 *26 26 *96 96 *23 23 *95 100 *37 38 *51 53	145 145 45 46 *87 90 *22 23 *162 162 *2 5 *15 30 *34 34 *150 153 *98 98 *140 140 *52 52 *125 125 *84 84 *90 93 *32 32 *17 17 *26 26 *96 96 *23 23 *95 100 *37 38 *51 53

Sales
of the
Week
SharesSTOCKS
BOSTON STOCK
EXCHANGE

Range Since Jan. 1

Range for Previous
Year 1916

Lowest	Highest	Lowest	Highest		
30	100	144	175	172	198
333	100	43	79	65 1/2	88 1/2
10	100	90	133	119	145
172	100	22	45	34	52
33	100	160	213	200	235 1/2
30	100	2	3	4 1/2	5
30	100	9	30	3	40 1/2
30	100	30	33	4	5 1/2
30	100	30	33	42	45 1/2
30	100	150	150	150	154
30	100	95	108	102 1/2	110
30	100	120	140	123	162
30	100	50	78 1/2	69 1/2	87
30	100	122	133	122	131 1/2
30	100	83	92 1/2	86	94
30	100	92 1/2	100 1/2	98	102
30	100	3	6 1/2	4 1/2	8 1/2
30	100	16 1/2	31 1/2	26	44
30	100	21 1/2	52 1/2	50	77 1/2
30	100	95	105	97	107
30	100	97 1/2	135	134 1/2	157
30	100	23	84 1/2	20	35 1/2
30	100	96	110	100 1/2	125
30	100	38	56 1/2	35 1/2	57 1/2
30	100	50	74	69	86
105	100	78 1/2	94 1/2	64	102
81	100	103 1/2	103 1/2	95 1/2	105
60	100	11 1/2	2 1/2	3 1/2	16
60	100	8 1/2	14	7	16
97	100	104	126 1/2	106	125 1/2
83	100	111 1/2	121 1/2	114 1/2	124
2,815	100	113 1/2	128 1/2	123	134 1/2
582	100	40	58	42	56 1/2
126	100	92 1/2	100 1/2	92	101 1/2
34	100	64	75	66	79
220	100	85	97 1/2	98	101 1/2
2,775	100	88	121 1/2	27	147 1/2
265	100	55 1/2	66	42	72 1/2
160	100	12	20 1/2	68 1/2	70
169	100	7 1/2	10	8 1/2	13 1/2
161	100	175	228	225	250
276	100	135	170 1/2	159 1/2	186
46	100	97 1/2	102	95	102 1/2
5	100	83	100 1/2	79	100 1/2
5	100	69	81	78	89
5	100	143	169	155	181
5	100	1	1 1/2	1 1/2	2 1/2
5	100	11	11	10	19
5	100	32 1/2	40	35	44
5	100	30	95	23 1/2	42
5	100	60	92 1/2	50	66
5	100	105	124 1/2	120 1/2	140
5	100	118	147	102 1/2	165
5	100	79	112	102	155 1/2
5	100	130	166 1/2	158 1/2	175
5	100	30	46	35 1/2	59
5	100	12 1/2	16	15	16 1/2
5	100	133	162 1/2	125	177
5	100	52	68	35	70
5	100	28	35	28	33
5	100	119 1/2	155 1/2	130 1/2	168 1/2
5	100	43	58 1/2	50	63 1/2
5	100	25 1/2	30 1/2	28 1/2	31
5	100	99 1/2	135	79 1/2	129 1/2
5	100	112 1/2	121	115 1/2	122 1/2
5	100	5	8 1/2	6 1/2	13
5	100	1 1/2	4 1/2	1 1/2	5 1/2
5	100	86	108	91	125 1/2
5	100	3 1/2	11 1/2	10	26 1/2
5	100	1 1/2	1 1/2	1 1/2	2 1/2
5	100	5 1/2	7 1/2	4 1/2	5 1/2
5	100	15 1/2	15 1/2	15	15 1/2
5	100	50	50	50	50
5	100	8 1/2	9 1/2	8 1/2	9 1/2
5	100	45	45	45	45
5	100	18 1/2	20	18 1/2	20
5	100	63 1/2	66	65	67
5	100	470	480	480	485
5	100	12	12 1/2	13	14
5	100	43	44 1/2	43	43 1/2
5	100	48 1/2	49 1/2	48	49 1/2
5	100	1 1/2	1 1/2	1 1/2	2 1/2
5	100	4 1/2	4 1/2	4 1/2	4 1/2
5	100	9 1/2	10	9 1/2	10
5	100	4 1/2	5	4 1/2	5
5	100	73	75	73	75
5	100	40	40	40	40
5	100	8 1/2	9 1/2	8 1/2	9 1/2
5	100	1 1/2	1 1/2	1 1/2	2
5	100	58	58	58	58
5	100	85	86 1/2	85	86 1/2
5	100	25	26	25	26
5	100	4 1/2	4 1/2	4 1/2	4 1/2
5	100	1 1/2	2	1 1/2	2
5	100	6 1/2	7 1/2	6 1/2	7 1/2
5	100	3	4	3	4
5	100	4 1/2	5	4 1/2	5
5	100	6 1/2	7 1/2	6 1/2	7 1/2
5	100	1 1/2	1 1/2	1 1/2	1 1/2
5	100	1 1/2	1 1/2	1 1/2	1 1/2
5	100	67 1/2	70	70	71
5	100	17 1/2	18 1/2	17 1/2	18 1/2
5	100	2	2	2	2
5	100	10 1/2	12	10 1/2	12
5	100	72	72	72	72
5	100	7 1/2	8	7 1/2	8
5	100	11 1/2	13 1/2	12 1/2	13 1/2
5	100	55	55	55	55
5	100	1 1/2	1 1/2	1 1/2	1 1/2
5	100	40	40 1/2	40	40 1/2
5	100	62	70	62	70
5	100	18 1/2	18 1/2	18 1/2	18 1/2
5	100	72	77	66	72 1/2
5	100	22 1/2	22 1/2	22 1/2	22 1/2
5	100	53	58	53	58
5	100	95	95	95	95
5	100	5 1/2	5 1/2	5 1/2	5 1/2
5	100	18 1/2	21	18 1/2	21
5	100	2 1/2	3 1/2	2 1/2	3 1/2
5	100	6 1/2	6 1/2	6 1/2	6 1/2
5	100	2 1/2	2 1/2	2 1/2	2 1/2
5	100	59 1/2	59 1/2	59 1/2	59 1/2
5	100	4 1/2	4 1/2	4 1/2	4 1/2
5	100	1 1/2	1 1/2	1 1/2	1 1/2
5	100	19 1/2	21	19 1/2	21
5	100	2 1/2	3 1/2	2 1/2	3 1/2
5	100	7	8	7	8
5	100	2 1/2	2 1/2	2 1/2	2 1/2
5	100	4 1/2	4 1/2	4 1/2	4 1/2
5	100	1 1/2	1 1/2	1 1/2	1 1/2
5	100	50	51	50	51
5	100	47 1/2	47 1/2	47 1/2	47 1/2
5	100	3	3	3	3
5	100	12 1/2	12 1/2	12 1/2	12 1/2
5	100	82 1/2	84	80 1/2	80 1/2
5	100	3 1/2	3 1/2	3 1/2	3 1/2
5	100	2 1/2	2 1/2	2 1/2	2 1/2
5	100	38	38	38	38
5	100	50	50	50	50

* Bid and asked prices. * Ex-dividend and rights. * Assessment paid. * Ex-rights. * Ex-dividend. * Half-paid

On May 10 1917, upon instructions of the Attorney-General, a writ was filed in the Supreme Court of British Columbia against the firm of Foley, Welch & Stewart and your directors, asking judgment for many millions of dollars and for a declaration that several of the acts and deeds of your directors had been illegal, notably the issue of stock as fully paid up for considerations other than cash. No date has been set for the trial, which cannot take place before the autumn sittings of the court.

Resume of Company's History—Construction Contract.—Early in 1912, the firm named obtained from the Government of British Columbia a charter to build the Pacific Great Eastern Railway, and it was provided that when the company was incorporated the firm would assign to it its agreement with the Government, excepting in three important respects, viz: The firm agreed (1) to indemnify the Government against all payments which it might make under the agreement, having particular reference to securities to be guaranteed by the Government; (2) that the rates to be charged upon the railway would be approved by the Provincial Minister of Railways; and (3) that the company would not at any time apply to be declared a work for the general advantage of Canada.

This agreement was duly ratified by the British Columbia Legislature and forms Schedule "A" to Chapter 34 for the year 1912. Forming Schedule "B" to the same Act is an agreement entered into between the firm and the Grand Trunk Pacific Railway Co. and its subsidiary, the Grand Trunk Pacific Branch Lines Co., containing on the part of the firm covenants on behalf of the company.

To insure the carrying out of these covenants it was essential that the firm control the company through ownership of its capital stock. In fact the agreement predicated this relationship. Accordingly an agreement was entered into between the company and the firm whereby in consideration of the aforesaid grants, the company issued to the firm as fully paid-up stock practically our entire authorized share capital.

Further, to insure the proper construction of the line, a contract was made between P. Welch on behalf of the firm and the company calling for the building of the entire line at unit prices based upon those paid the firm for similar work between Prince Rupert and Copper River on the line of the Grand Trunk Pacific Railway, it being estimated that the cost of construction would be about the same on each line, excepting as to the item of transportation for material and supplies, which on the Pacific Great Eastern Railway where highway and steamboat transportation were largely non-existent, roads having to be built and boats purchased to provide access to the line, was consequently much more expensive than on the Grand Trunk Pacific Railway, where advantage was derived from the close proximity of the Skeena River, navigable along the entire length of that portion of the line built upon its right bank. This contract has been the subject of much abusive criticism.

Securities Guaranteed, &c.—By Acts of the Legislature the Government guaranteed securities of the company to the extent of \$42,000 per mile for 480 miles of line, which was then ascertained length of the line. Resurveys, however, reduced this mileage to 476.1, a difference of 3.9 miles. An interim certificate of mileage of 480 miles was given by the Minister of Finance and securities guaranteed for the total amount of this mileage. Of these securities \$14,234,805 have been sold and the balance of \$5,925,195 pledged to secure a loan of \$4,800,000.

When the difference in mileage was ascertained, the Government was advised that it was the intention of the company when the securities pledged were redeemed to apply for a final certificate of mileage and re-issue the securities in accordance therewith. The Government is now asking for the payment into the Treasury of \$163,800, but this is probably through a misconception of the situation. If the securities now pledged when sold realize more than the amount of the loan, the difference will be paid to the credit of the company into a special account in the name of the Minister of Finance. If sold to-day, the securities would realize less than the amount of the loan and the difference would have to be made good, though not to the Government but to the present holders of the pledged securities. It is not the intention of your directors to authorize a sacrifice of these securities. An offer was made for the above securities at a price which your directors considered satisfactory, but was declined at the request of the Prime Minister.

Alleged Overpayment.—Overpayment to the company of sums varying from five to seven and half millions has frequently been alleged, but the allegation is apparently based upon a misconception of one of the clauses in the agreement between the Government and the firm of Foley, Welch & Stewart. The minds of those now in ignorance upon the question will be illumined when the court interprets the section.

Experts' Report.—Two eminent engineers at the head of their profession in Canada, who, after a close inspection of the whole line affirm that the location is the best that could have been secured; that the construction is of the highest standard desired; and that the work has been honestly and economically carried out.

Outlook.—Paralyzed by the effects of the war and further embarrassed by the ill-timed action of the Government in bringing suit against your sponsors and directors for their failure to complete this contract of which the cataclysm of war is the cause, but one course is open, which is the policy being pursued, viz: to mark time until the advent of normal conditions and the settlement of litigious disputes. The vast cultivable areas of the Province by reason of stoppage of work on the construction of the railway will not be available to the returning soldiers for occupation; and the mineral deposits, though never more urgently required, must remain unemployed.

BALANCE SHEET, JUNE 30 1917 (Total each side, \$56,124,204).
 Property investment \$24,404,409
 Debenture stock pledged 5,925,195
 Amts. due from solvent cos. and individuals 15,844
 Cash 277,192
 Foley, Welch & Stewart's grant & guarantees unexting'd 24,960,000
 Prem. & disc'ts unexting'd 541,564
 —V. 105, p. 290.

Union Oil Company of California, Los Angeles.

(Report for Nine Months ending September 30 1917.)

The report signed by Pres. W. L. Stewart and Compt. R. D. Matthews on Oct. 6, says in substance:

Profits.—The profits earned from all operations, less general expense, all taxes under existing law, interest charges, and employees' share of profits, show approximately the following rate per cent per annum earned on the average amount of stock outstanding for the period under review:

9 Mos. to Sept. 30—	1917.	Yearly	1916.	Yearly	Increase—
Amount.	on Stk.	Amount.	on Stk.	Amount.	
Profits (as above).....	\$9,050,000	33%	\$7,150,000	28%	\$1,900,000 26 1/2 %
Provision for deprec.....	2,250,000	8%	1,830,000	7%	420,000 23 %

Profit, subject to war taxes.....\$6,800,000 25% \$5,320,000 21% \$1,480,000 28%
 The foregoing results are subject to provision for the additional 4% income tax and excess profits tax, the amount of which, pending issuance of the Treasury regulations, is somewhat indefinite. However, after deducting estimated war taxes, net profits exceed the results for same period last year.

Production.—The production of crude oil by the company and controlled companies combined aggregate 5,450,000 net bbls., an increase over the same period in 1916 of 495,000 bbls. This production, together with regular purchase and agency deliveries, approximates 15,000,000 net bbls., or 22% of the 68,500,000 net bbls. of marketable oil produced in California during the 9 months. The production of the State was larger than for the corresponding period of 1916, but the increase was insufficient to meet the growth in consumption.

Sales.—The sales for the nine months approximate \$25,375,000, an increase of \$4,975,000. The value of refined and lubricating oil sales was about 26% and the fuel oil about 23% greater than the same period of 1916. **Capital Expenditures** (excluding the Pinal Dome purchase) approximate \$2,500,000, consisting mainly of the cost of new drilling and purchases of oil properties. The company has acquired the properties and plants, oil stocks and materials and supplies of the Pinal Dome Oil Co. and the Pinal Dome Refining Co. The sum of \$500,000 has been paid on account of the foregoing purchase (V. 105, p. 78, 826).

Balance Sheet.—Current assets, consisting of oil inventories (included at or below cost), materials and supplies, accounts and bills receivable, Liberty bonds, and cash at Sept. 30 1917, approximate \$20,000,000, an increase over Dec. 31 1916 of about \$4,800,000. Current assets are about 8 to 1 of current liabilities. The quantity of crude oil owned by the company and in storage on Sept. 30 1917 was about 10,600,000 net bbls., or 400,000 bbls. less than was carried on Jan. 1 1917, the State storage having decreased, however, during the same period, about 9,000,000 bbls.

Current Liabilities at Sept. 30 1917, including share of profits payable to employees, approximate \$2,500,000, or about \$520,000 greater than on Jan. 1 1917. This increase is occasioned principally by the increased cost of our oil purchases. All sinking fund installments due and payable to this date have been met. During the nine months there has been a decrease in First Mortgage bonds in the hands of the public of \$667,000, a reduction in Collateral Trust notes of \$675,000, and the purchase money obligations have increased \$2,950,000 on account of the balance due on purchase price of the Pinal Dome Oil Co.'s properties. The outstanding bonds of the Producers' Transportation Co. were decreased \$265,000.

Capital Stock issued and outstanding at Sept. 30 1917 was \$38,872,500, and the cash received on account of subscriptions for which stock had not been issued at that date amounted to \$121,500.

On June 15 last the company offered to exchange its stock, share for share, for the outstanding minority stock of Producers' Transportation Co., and now controls over 99% of the stock of the latter co. (V. 105, p. 177, 78.)

Dividend.—The regular quarterly dividend of \$1 50 per share, together with an extra dividend of \$1 per share, was declared on Oct. 1, payable on Oct. 20 to holders of record as of Oct. 10 1917. (V. 105, p. 1426.)

Surplus and Operating Reserves at Sept. 30 1917 approximate \$21,500,000 and the book value of the stock at that date was about \$155 per share.

Production of Crude Oil (Net Bbls.) and Sales for Nine Months ending Sept. 30.	1917.	1916.	Increase.
9 Mos. to Sept. 30—			
Crude oil (net bbls.).....	5,450,000	3,955,000	495,000
Sales.....	\$25,375,000	\$20,400,000	\$4,975,000

—V. 105, p. 1426, 1315.

International Agricultural Corporation, New York.

(8th Annual Report—Year ended June 30 1917.)

President Stephen B. Fleming says in substance:

Indebtedness.—The increase in current liabilities is largely due to the fact that in past years the company was partly financed by the discount of its receivables, which at the present time are held in its treasury. The contingent liabilities show a decrease of \$1,528,636.

During the year, \$436,500 bonds have been retired, leaving the bonded debt of the company as of June 30 1917, \$10,723,900.

Results.—The profits for the year are \$1,328,483, out of which \$750,000 has been set aside as a general reserve to take care of contingencies due to the war on business or investments, leaving \$578,483 to be carried to surplus account.

Supply of Acid.—The management of the company (Tennessee Copper, V. 103, p. 1512, 2083; V. 104, p. 77, 2123; V. 105, p. 284) which furnishes us with our supply of sulphuric acid was changed during the year, and we are now receiving our full quota of acid.

Contract with Kaliwerke Aschersleben Regarding Kaliwerke Sollstedt.—The disturbance in the relations between this country and Germany has resulted in a suspension of negotiations regarding this matter and probably no final conclusion can be reached until after the war. [See statement quoted in present report in V. 97, p. 1895.]

Phosphate Rock.—Sales of Tennessee phosphate rock and the domestic sales of Florida phosphate rock increased materially. Export sales decreased on account of our inability to procure shipping facilities for delivery to European ports.

INCOME ACCOUNT FOR YEAR ENDING JUNE 30.

	1916-17.	1915-16.	1914-15.	1913-14.
Gross profit on oper'n's.	\$2,851,408	\$2,793,898	\$1,844,799	\$1,934,494
Operating, &c., exp....	957,405	742,595	1,198,815	1,104,049
Net earnings.....	\$1,894,003	\$2,051,303	\$645,984	\$830,445
Divs. J'tly owned corps	81,170	56,475	18,000	208,730
Gross income.....	\$1,975,173	\$2,107,778	\$663,984	\$1,039,175
Bond interest.....	556,629	581,906	616,900	646,529
Balance, surplus.....	\$1,418,544	\$1,525,872	\$47,084	\$392,646
Amort. of bd. disc., or- ganization exp., &c....	202,052	246,040	207,106	241,636
Profit on bonds purch.*	Cr. 111,991	Cr. 93,864		
Extraord. exp., &c.....		339,641		66,102
Reserve for conting.....	750,000			
Bal., sur. or deficit.....	sur\$578,483	sur\$1034,054	def\$160,022	sur \$84,908

* Profit on bonds purchased at a discount and canceled under operation of sinking fund.

CONSOLIDATED BALANCE SHEET JUNE 30, INCLUDING AFFILIATED (i. e., 100% OWNED) COMPANIES.

	1917.	1916.		1917.	1916.
Assets—			Liabilities—		
Real est., plant, &c.	\$21,869,029	21,364,935	Preferred stock.....	13,055,500	13,055,500
Patents.....	300	300	Common stock.....	7,303,500	7,303,500
Investments.....	2,956,817	3,100,945	1st M. bonds.....	10,723,900	11,160,400
Cash.....	657,435	444,526	Bonds assumed on property purch.....	20,000	28,000
Accts., notes, &c., rec. (less res.).....	4,929,256	4,005,957	Accounts payable.....	328,568	460,160
Inventories.....	1,488,832	751,066	Loans and notes payable.....	3,304,733	1,166,092
Due from: Jointly owned corp's.....	1,372,501	366,902	Int. on bonds & loans acer., &c.....	212,038	237,022
Other cos.....	1,114,530	1,061,324	Special reserves.....	884,214	240,434
Prepaid exp., &c.....	2,030,203	2,492,663	Surplus.....	636,812	58,329
Cash in escrow agst sett'l't of claims.....		120,897			
Cash in sink fund.....	354	23			
Total.....	36,469,265	33,709,437	Total.....	36,469,265	33,709,437

Note.—There are also contingent liabilities consisting of endorsements on notes of jointly owned corporations, \$386,000, not included above.—V. 105, p. 1526.

Central Aguirre Sugar Companies, Boston.

(18th Annual Report—Year ending July 31 1917.)

Pres. J. D. H. Luce, Boston, Oct. 11, wrote in substance:

We have again to report a new record, with a production for the crop of 49,049 tons of sugar. A decided improvement in the condition of the cane, due to the regular supply of water from the Government irrigation system and favorable weather with about an average rainfall, have been the main factors in this material increase. This increase has been not only on our own estates, but on those of our Colonos as well.

Labor conditions continued unsettled, and the trustees, at the beginning of the harvest, voted a bonus of 15% of their wages to all employees. It is due to the loyal efforts of our staff that we were able to take off this record crop without any delays.

The prospects for the coming crop are good. The weather has been normal and the Government reservoirs are reported as having an adequate supply of water.

Sugar, in common with other commodities, has been affected by the entrance of the United States in the war and consequent proposed national control of prices. As at Oct. 11, the plans of the U. S. Food Administrator for the regulation of prices have not taken sufficiently definite form to be reported. We hope that a working arrangement may be reached, which will not impose any unnecessary hardships upon your companies.

The operation of the railroad continued to be satisfactory, with an increased business due to the larger cane crop.

The mill began grinding Dec. 15 1916 and finished June 30 1917.

CONSOLIDATED INCOME ACCOUNT FOR YEARS ENDING JULY 31.

	July 31 Years—	1916-17.	1915-16.		1916-17.	1915-16.
Sugar & molasses produced.....	\$5,667,609	\$4,384,451	Net earnings.....	\$2,310,117	\$1,894,491	
Miscell. receipts.....	265,090	118,878	RR. oper. profit (less int. chgs.).....	87,332	62,998	
Total income.....	\$5,932,698	\$4,503,329	Net income.....	\$2,397,449	\$1,957,488	
Agricul. and mfg. expenses.....	\$3,122,099	\$2,399,973	Depreciation, &c.....	\$180,032	\$157,733	
Freight, adminis., &c., expenses.....	503,482	208,865	Loss on sale of old machinery, &c.....	190,014		
Net earnings.....	\$2,310,117	\$1,894,491	Dividends.....(60)	1,800,000(41)	1,230,000	
			Balance, surplus.....	\$227,403	\$569,755	

SUBSIDIARIES (GAS COS.) FOR YEARS ENDING JUNE 30.

	East Boston Gas Co.	Newton & Wat. G. L.	Citizens' G. L. Co.
June 30 Years—	1916-17.	1915-16.	1916-17.
Gross income	\$474,533	\$438,895	\$588,256
Expenses	412,124	369,894	489,056
Net from oper.	\$62,409	\$69,001	\$99,200
Misc. income	1,735	1,705	5,665
Net earnings	\$64,144	\$70,706	\$104,865
Deduct—			
Interest	\$17,903	\$10,942	\$19,388
Dividends	(7½)43,125	(10)57,500	(12)67,200
			(12)67,200(4½)33,435
			(5)37,150

Balance, surplus. \$3,116 \$2,264 \$18,277 \$13,710 \$349 def. \$504

SUBSIDIARIES (COAL & COKE COS.) YEARS ENDING JUNE 30.

	N. E. C. & Coke Co.	Fed. Coal & Coke Co.	J. B. B. Coal Co.
June 30 Years—	1916-17.	1915-16.	1916-17.
Gross income	\$3,049,219	\$2,253,055	\$1,041,030
Expenses	2,370,484	1,816,246	651,370
Net from oper.	\$678,735	\$436,809	\$389,660
Deduct—			
Interest	\$148,223	\$130,670	\$35,034
Dividends	(35)525,000	(20)300,000	337,500

Balance, surplus. \$5,512 \$6,139 \$17,126 \$73,387 \$23,598 def. \$15,974

The gross income of the Boston Tow Boat Co. for the year ending June 30 1917 was \$399,607, against \$355,034 in 1915-16, and balance for dividends, \$51,273, against \$51,769. Dividends paid for both years aggregated 12% p. a. (\$48,000), leaving a balance of \$3,273, against \$3,769.

The New England Coal & Coke Co. owns 2,000 shares, equal to approximately 60% of the capital stock of the J. B. B. Coal Co.

BALANCE SHEET OF MASSACHUSETTS GAS COMPANIES JUNE 30.

	1917.	1916.		1917.	1916.
Assets—			Liabilities—		
Property account	60,610,043	55,481,467	Common stock	25,000,000	25,000,000
Cash in banks	508,702	498,853	Preferred stock	25,000,000	25,000,000
Notes receivable	879,294	5,616,800	20-year bonds	8,854,000	9,036,000
Accts. receivable	153,167	4,791	Accounts payable	8,240	4,180
Bond dist. susp.	354,135	388,593	Accr. int. & taxes	62,899	28,128
Mass. Gas Co. bds.			Pref. div. accrued	83,333	83,333
In treasury	155,851	63,085	Res. for com. div.	1,875,000	1,250,000
Liberty bonds	100,000		Res. for dep. of sec.	120,714	118,224
Notes (Un. Kingd. of Gt. B. & I.)	113,724		Surplus	1,870,731	1,533,723
Total	62,874,916	62,053,589	Total	62,874,916	62,053,589

—V. 105, p. 1526.

GENERAL INVESTMENT NEWS

RAILROADS, INCLUDING ELECTRIC ROADS.

Atlantic Quebec & Western Ry.—Status—Modification of Trust Deed Securing First Mortgage 5% Debentures.—

Holders of 5% 1st M. debentures at a meeting held on June 26 1917 at Hamilton House, Victoria Embankment, London, E. C., agreed by a vote of bonds to a par value of £343,600 against £3,500 to modify the trust deed securing the same so that from now until two years after the declaration of peace, unless previously rescinded by the bondholders, they will accept in satisfaction of their half-yearly coupons whatever amount may be available for interest after payment of the working expenses of the railway, and should it be necessary to carry out any additional works, or purchase additional rolling stock, the trustees are empowered to realize any of the securities held by them, to provide for the necessary capital expenditure. Subject to the foregoing, all the rights of the debenture holders under the trust deeds are maintained.

Digest of Statement by E. B. Read, One of the Trustees, June 26. In 1910 the New Canadian Co., the contractors for the construction of the line, failed. Fortunately, the directors were able to raise the large sum of money required for the completion and equipment of the 102½ miles of railway between New Carlisle and Gaspe, without creating a charge in priority to your bonds. They thus provided communication between Gaspe Harbor and the Government railways at Matapedia via the Quebec Oriental Ry. from New Carlisle, the whole distance from Gaspe to Matapedia being 202½ miles.

Since the opening of the railway for traffic on Aug. 1 1912, the receipts have been steadily increasing. For the year ended June 30 1916 the traffic receipts amounted to \$102,765, and for the current financial year up to May 31 1917 amount to \$128,041, being an increase over the corresponding period of 1916 of nearly 37%. During the summer months the Government have in the past subsidized a competing steamship running between Campbellton and Gaspe, in conjunction with the railways all along the coast. This subsidy has been revoked this year, but the steamer has not yet commenced to run. I do not think the steamer can run without its aid.

Unfortunately, the increase in the cost of wages and material owing to the war, and the worst winter known in Eastern Canada for a great number of years have seriously increased operating expenses, and it is estimated there will be a loss on the current year's working of, approximately, £5,000—this is without bringing into credit interest on investments. Beyond the usual current working liabilities, the only outstanding liability is a claim by the Province of Quebec for the sum of \$19,675, being six years' accrued taxes; it is hoped that this claim will be considerably reduced.

The cash subsidies allocated to the payment of debenture interest became exhausted in Jan. 1916. Since then the interest has been duly paid, but the company will be unable to meet the coupon due in July 1917. The 5% first mortgage bonds issued amount to a total of £525,500, or only £5,126 per mile of line, and they form a first charge on the 102½ miles of railway between New Carlisle and Gaspe, with land, rolling stock and equipment.

The trustees hold as further security for your bonds investments to the value of £205,000, yielding an income of about £11,000 per annum, payable to the railway company for its general purposes until default arises under the provisions of the trust deed.

The traffic receipts since the first complete year of working up to June 30 1916 have increased 200%, and for the current financial year to date the increase over the corresponding period 1916 is, as already stated, upwards of 36%. Should the receipts continue to show substantial increases, the railway should before long be earning a revenue sufficient to enable payments on account of the interest on the first mortgage bonds to be made.

Independently of the general position, which seems to favor some sort of State purchase of Canadian railways, our line forms part of a railway system which is a most valuable traffic feeder to the Government Intercolonial Ry., and I am confident that the time will certainly come when the Government will take us over.

Practically the only alternative to the proposition before the meeting would be for the trustees to seize the line and put it up for sale by auction. To do this at the present time would involve the needless sacrifice of a valuable asset, which in our view only requires a few years' careful nursing before it becomes realizable at a substantial figure.—V. 105, p. 908, 289

Bangor & Aroostook RR.—New Stock—Pref. Stock Issue.—The company during the past six months has issued \$3,480,000 of a new \$10,000,000 issue of 7% cumulative pref. stock and also an additional \$411,400 common stock, making share capital outstanding as follows:

	Par Value.	Amount Outstanding.	Yls. Divs. Pay.	Last Dividend.
Pref. stock 7% cum., pref. as to assets, auth., \$10,000,000	100	\$3,480,000	7%	A&O Oct. 1 1917, 3½
Common stock	100	3,860,000	4%	A&O Oct. 1 1917, 2½

The proceeds of the \$3,480,000 pref. and \$411,400 additional common stock, so issued were used to retire \$2,000,000 Two-Year 5% Gold Notes, called for payment Oct. 1 1917, and to reacquire \$2,300,000 other funded debt.

The company now holds in its treasury \$2,621,000 of its own bonds, as free assets, and has no floating debt.

On Dec. 31 1916 the company held in its treasury \$241,000 Consol. Ref. Mtge. 4% bonds. The amount of treasury bonds has now been increased to \$2,621,000, as aforesaid, by the reduction of the outstanding issues, as compared with Jan. 1 1917 as follows: 2d Mtge. 5s of 1895, from \$106,000 to \$26,000; Consol Ref. Mtge. 4s from \$8,431,000 to \$6,331,000; Washburn Extension 5s from \$1,650,000 to \$1,618,000, and St. Johns River Extension 5s from \$1,800,000 to \$1,632,000.

Dividend Period Changed.—The company paid on Oct. 1 a semi-annual dividend of 2% on its common stock, the dividend period for this stock having been changed from Jan. 1 and July 1 to April 1 and Oct. 1 and the dividends placed on a 4% annual basis.

Other recent dividends were paid as follows: In 1915, 1916 and 1917 1% in January and 2% in July.—V. 105, p. 996.

Boston & Maine RR.—New Fiscal Year—Wages.—

This company's fiscal year has been changed to coincide with the calendar year in accordance with the requirements of the Inter-State Commerce Commission. In the future the annual meeting of the company will be held the second Wednesday in April.

The union railroad clerks, freight office clerks, freight handlers, station employees, baggage men, crossing tenders and others in the freight yard and station service in this company's employ are seeking wage increases of 75 cents a day, an eight-hour day and other changes. A strike by these classes of employees, it is said, would involve over 4,000. The railroad offered an increase of 20 cents a day but this was rejected by a committee of the employees which has now placed before the men a ballot on which they are to vote whether they will accept this offer or leave the service of the railroad.—V. 105, p. 1522, 1414.

Boyer City Gaylord & Alpena RR.—Completion of Property Construction.—

The Michigan Trust Co. of Grand Rapids, receiver of the property, calls attention to the following data published in the Grand Rapids "Press" in connection with the closing of the gap in this company's line on Sept. 26, thereby uniting its cross-State railroad from Boyer City to Alpena, Mich., with branches in all about 97 miles.

While the ties and rails are in place, regular traffic will not begin much before Nov. 1. When the line finally is opened northern Michigan will have a cross-State line connecting Lake Michigan and Lake Huron.

The new line gives Grand Rapids a direct connection with Alpena and it is understood the Grand Rapids & Indiana will operate through sleeping car service from Chicago. On the east end of the line there is obtained a connection with the Detroit and Mackinaw line and Gaylord is the junction point on the Boyer City line for connections over the Mackinac division of the Michigan Central. The big benefit to be realized by the new railway is in freight traffic. It gives direct access to Detroit, Grand Rapids, Chicago, Saginaw, Bay City, Flint, &c. Boyer City is at the head of navigation on Pine Lake, a tributary of Lake Michigan and Thunder Bay, serves as a shelter for the entrance to the port of Alpena on Lake Huron. The new line is in a particularly enviable strategical position to inspire a boom for the whole northern section of the lower peninsula and the plans of the White interests for the development of the vast cut-over hard-wood acreage practically hinged on the completion of the railway. For details of receivership matters, &c., see V. 105, p. 1308, 715.

Brooklyn Rapid Transit Co.—Results from Operations of New Subway on Broadway, Manhattan.—

Col. Timothy S. Williams, the President, confirms the following as substantially correct:

The operation of the 14th Street-Canal Street section of the company's Broadway, Manhattan, subway has proved far more satisfactory than had been expected. This section has been in operation only since Sept. 4, and receipts at the Broadway stations have added about \$1,100 a day to the system's revenues. This figure of \$1,100 is arrived at after allowing for the decreased receipts at the Centre St. Loop, the former terminus.

It had been expected by the B. R. T. officials that little additional revenue would accrue from the operation of this part of the new Broadway subway, as it was figured to merely give passengers from Brooklyn points a longer ride into the very heart of Manhattan. The net gain of \$1,100 a day at the Manhattan end, however, indicates either new or additional traveling, and also means that stations on the B. R. T. elevated or subway lines at the Brooklyn end of this traffic as well must be reaping a \$1,100 a day benefit from the new extension into Manhattan, or an actual gain for the system of about \$2,200 a day.

This surprising showing of partial operation presages a very substantial addition to the company's profits when the Broadway subway is placed in operation from the Battery to 42d St. about Jan. 15 next. Then the B. R. T. will get a good share of the up- and down-town Manhattan traffic between these points. The new subway, which ultimately will connect with Brooklyn by tube, now being built, and will continue north from 42d St. to 59th St. and east over the 59th St. Bridge, is being built by the city, and B. R. T. only furnishes the equipment.

Taking the B. R. T. system as a whole, since July 1, the opening of the current fiscal year, gross earnings have increased \$491,000, or 5.6% over a year ago. Of this increase, \$389,000 has been from the elevated and subway lines and the balance from the surface lines.

While September figures are not available, as yet, indications are that the Sept. quarter will show net surplus available for dividends larger than in the same quarter a year ago. This is after allowing for interest charges on the new lines placed in operation on a liberal basis. The actual amount of the interest charge on new lines must be finally determined by the Chief Engineer of the P. S. Commission, and in anticipation of this final figure the B. R. T. has been setting aside out of income a sum admittedly in excess of what the Commission will decide in order to be on the safe side. This excess will be written into the accounts when the official amount is arrived at. ("Wall Street Journal," Oct. 18).—V. 105, p. 1308, 1207.

Canadian Northern Ry.—Government Control About to be Consummated.—

A press dispatch from Ottawa to the "Montreal Gazette" on Oct. 15 says in brief:

The agreement by which the Canadian Government will acquire the \$60,000,000 of common stock not already in its possession will be completed early next week. An audit of the railway's books on behalf of the Government has been under way and the conclusion of the agreement is expected to follow immediately. The Government will, therefore, very shortly appoint Hon. Frank Cochrane in the office of Chairman of the board. The personnel of the directorate will, it is understood, remain unchanged for the present.

The agreement in question will provide for the transfer of stock of the railway to the Government of Canada at a price to be fixed by arbitration, but not to exceed a certain specified maximum. On the board of arbitration the Government will be represented, as already announced, by Sir William Meredith, Chief Justice of Ontario. The stockholders and pledgees will, it is reported, be represented by Hon. F. H. Phippen, of Toronto, the General Counsel of the company. These two will name the third arbitrator, and if they fail to agree, the selection will be made by the senior judge of the Exchequer Court of Canada, Sir Walter Cassels.—Compare V. 105, p. 996, 1304.—V. 105, p. 1522, 1207.

Cape May (N. J.) Delaware Bay & Sewell's Point (Electric) RR.—Plea for Operation Denied by N. J. Commission.—

In the action brought by the city of Cape May, N. J., to compel the continued operation of this company's line and the Ocean Street Passenger Ry., between Sewell's Point and Cape May Point, has been dismissed by the Board of P. U. Commissioners of New Jersey.

The physical property of the railroads, though not their franchises, have been sold to junk dealers, the sale having been confirmed by the Court of Chancery in receivership proceedings, though not approved by the P. U. Commission. Compare V. 104, p. 2235, 1387.

Carolina Clinchfield & Ohio Ry.—New Fiscal Year.—

The company will not issue a report for the year ended June 30 1917. By requirements of the I. S. C. Commission the fiscal year has been changed to end on Dec. 31. The next report will be for the calendar year 1917.—V. 104, p. 2235, 1263.

Chicago & Eastern Illinois RR.—Sale of Coal Lands in Indiana and Illinois Ordered.—Judge Carpenter in the Federal District Court at Chicago on Oct. 10 ordered the foreclosure sale of the coal properties owned and operated by the railroad company in southern Illinois and Indiana.

The amount due for principal and interest on the bonds is stated as \$5,849,740. The mortgage was made in 1912 to the Central Trust Co., as trustee, securing 5% Purchase Money First Lien coal bonds, of which \$5,167,000 were sold. Compare V. 94, p. 629; V. 95, p. 1039, 1122, 1393; V. 100, p. 307, 641. Herbert A. Lundahl as Special Master will conduct the sale at Hillsboro, Ill.—V. 105, p. 1418, 1103.

Chicago Milwaukee & St. Paul Ry.—Traffic.—Pres. Byram returning from an inspection of the lines east of Missouri River is quoted as saying:

General business and prospects along our lines are beginning to show a noticeable change for the better. The past month shows some improvement in traffic as a whole. Tonnage in coal, lumber, live stock and general merchandise shows slight improvement, and grain will soon begin to move in earnest.—V. 105, p. 1398, 1103.

Chicago Rock Island & Pacific Ry.—New Directors.—At the annual meeting Oct. 11 these new directors were elected:

The total number of votes cast by the Hayden interests was about 631,734, and by Amster 346,173.

By Hayden Committee: J. E. Gorman, John G. Shedd, Charles Hayden, James A. Patten, Frederick W. Scott, B. G. Dawes, J. N. Wallace, James Speyer and Nathaniel French. Mr. French has resigned and is succeeded by A. C. Rearick, of N. Y., who represented about 114,000 shares of Dutch holdings. (Compare V. 105, p. 1418.)

By Amster Committee: Nathan L. Amster, W. Z. Ripley, Henry Bruere, and P. J. Ten Eyck. (V. 105, p. 1522.)

The executive committee is composed of J. F. Gorman, Chairman, John G. Shedd, James Patten, B. G. Dawes, N. L. Amster, W. Z. Ripley and A. C. Rearick.

The finance committee consists of J. N. Wallace, Charles Hayden, Frederick W. Scott, James Speyer and Henry Bruere. See V. 105, p. 1418, 1522.

Cincinnati Newport & Covington Light & Traction Co.—Franchise.—The City Council of Cincinnati, Ohio, has granted the Cincinnati Newport & Covington (Electric) Ry. (a subsidiary of the Columbia Gas & Electric Co.) a new franchise for the operation of its terminal lines in that city. The franchise ordinance approved by Mayor Puchta on Sept. 28, and published in full in the "Cincinnati Enquirer" of Oct. 3, provides in brief:

(1) *Temporary Covington and Newport Routes.*—The grant covers the construction and operation of (a) temporary Covington routes shall remain in force until Jan. 1 1919; that for (b) temporary Newport routes, until 24 months from the date the ordinance takes effect.

(2) *Covington and Newport Routes.*—The grant in this case will remain in full force for 25 years from the date the ordinance shall take effect.

(a) *Fares.*—(1) Over each route the company shall charge a five-cent fare between any two points on its lines within the city of Cincinnati. Transfers between the Covington and Newport routes will be given at a terminal where these routes adjoin. (2) A five-cent cash fare between any point in Cincinnati and the terminal in Kentucky of all lines connecting with the routes, or lines connecting with the routes or operated thereover or thereon by traffic agreement or otherwise, to which terminal a single five-cent fare or less fare shall be charged to passengers boarding cars at the south end of the bridges over the Ohio River, subject, however, to the giving of transfers.

(b) *Taxes.*—The company shall pay to the city for all car license fees, percentage tax on gross earnings and other charges (except regular taxes, assessments upon its property, proportion of cost of eliminating grade crossings and the costs, charges and payments specifically provided in this ordinance) the sum of \$6,000 per annum, payable quarterly.

The city consents to the use by the company of the tracks, poles, wires, appliances and facilities of the Cincinnati Traction Co., the Cincinnati Street Ry. Co., and any other company or companies having street, suburban or interurban railroads upon any of the streets of the city. The use of bridges is also permitted.

The city reserves to itself the control of the equipment of cars, of transfer regulations and of traffic agreements and contracts by or with the company for the use of tracks of the company, or tracks of other individuals, company or companies on the streets, avenues, alleys and public places of the city.—V. 101, p. 694.

Cities Service Co.—Stock Dividend Increased.

The regular monthly dividend of $\frac{1}{2}$ of 1% in cash and $\frac{1}{2}$ of 1% in common stock has been declared on the common stock, payable Jan. 1 to holders of record Dec. 15. Also two regular monthly dividends of $\frac{1}{2}$ of 1% in cash on pref. stock, one payable Dec. 1 to holders of record Nov. 15 and one payable Jan. 1 to holders of record Dec. 15.

The directors announced that next monthly stock dividend on common stock, which will be payable Feb. 1 1918 to stock of record Jan. 15, will be $\frac{1}{4}$ of 1%, an increase of $\frac{1}{4}$ of 1% monthly, or at the rate of 9% for the year. This is in accordance with the policy announced in 1916, that in 1918 the common holders would receive 9% in common stock dividends.

Earnings.—For Sept. and 12 months end. Sept. 30:

	Month of Sept. 1917.	1916.	12 Mos. end. Sept. 30—1917.	1916.
Gross earnings.....	\$1,594,961	\$722,055	\$18,169,849	\$7,522,547
Expenses.....	28,588	21,531	327,646	226,667
Net earnings.....	\$1,566,373	\$700,524	\$17,842,204	\$7,295,880
Int. on notes & debens..	\$227	\$341	\$3,151	\$380,509
Preferred dividends....	326,156	197,450	3,551,077	1,977,002

Balance for com. divs. and reserves.....\$1,239,991 \$502,733 \$14,287,976 \$4,938,368
Preferred stock outstanding in hands of public, \$65,378,377; in addition owned by company, \$2,869,876; and common stock in hands of public, \$25,284,246 (in addition owned by company, \$6,834,438).—V. 105, p. 1208, 1103.

Cleve. Southw. & Columbus Ry.—New Fare Schedule.

This company on Oct. 13 put into effect a new schedule of fares based on a straight rate of $2\frac{1}{2}$ cents a mile, an increase of $\frac{1}{2}$ cent a mile. It is understood that the increased rate will provide an additional income of about \$150,000 per annum. Compare V. 105, p. 1309, 389.

Cumberland County Power & Light Co., Portland, Me.—New Plant in Service.

This company recently placed in service a new generating plant on the Saco River at Hiram Falls, which marks the beginning of a 20,000 k. v. a. development at this point. The first section contains a 3,000 k. v. a. unit. The "Electrical World" in its issue of Oct. 6 gives considerable data regarding this development, with photographs and charts.—V. 104, p. 2235.

Dallas Railway Co.—New Securities—New Lines.—This company, recently incorporated under the laws of Texas, with authorized capital stock of \$100,000, to operate under the new franchises, mention of which was made in our issue of Oct. 6, p. 1418, under the caption Dallas Electric Corp., has given notice that it proposes to issue (a) a further \$2,150,000 common stock, par \$100, (b) \$500,000 7% pref. stock and (c) \$2,600,000 6% unsecured notes due April 1 1922 to pay for the properties taken over.

The new company plans to construct immediately five electric railway lines and extensions, for which steel and other materials are reported to have been already purchased. These lines if the necessary consents are obtained

will serve Second Ave., Oakland Cemetery, City Hospital, Oak Lawn and Dallas University and Oak Cliff. A rearrangement of the two Oak Cliff lines will be made. Compare V. 105, p. 1419, 1522.

Dallas Southwestern Traction Co.—Construction.

This company, which has begun construction of its interurban railway line from Dallas to Irving and Cleburne, Tex., will connect at Irving with the Chicago Rock Island & Pacific Ry. and the Frisco systems, at Mansfield with the Houston & Texas Central RR., at Lillian with the International & Great Northern RR., and at Cleburne with the Gulf Colorado & Santa Fe and the Trinity & Brazos Valley Ry. E. P. Turner is Pres. and Gen. Mgr. and C. B. Gillespie, Treasurer.—V. 105, p. 1522, 1419.

Denver & Rio Grande Ry.—New Directors.—The following directors were elected on Oct. 16, thus increasing the representation of the Missouri Pacific interests as already foreshadowed:

New Directors: Harry Bronner, J. Horace Harding, John W. Platten, and E. L. Brown, the new President of the company.

Retiring Directors: E. D. Adams, Kingdon Gould, Benj. McAlpin, and H. U. Mudge.

Directors Re-elected: B. F. Bush, Arthur Coppell, George J. Gould, George G. Haven, Edward T. Jeffery, Finley J. Shepard, Harrison Williams. Compare V. 105, p. 1419.—V. 105, p. 1522.

Erie RR.—Equipment Trust.

For purposes of record it may be stated that this company's issue of Series "EE" gold $4\frac{1}{2}$ % Equipment Trust certificates, dated March 31 1917, and placed by Drexel & Co., Phila., are secured by new equipment valued at an estimated cost of \$4,464,531, consisting of the following: 15 Santa Fe type freight locomotives; 10 Pacific type passenger locomotives; 2,000 steel underframe 40-ton box cars; 2 gasoline shifting locomotives; 2 steel diners.

The certificates, of which the total issue was \$3,680,000, are now \$4,396,000 outstanding, the principal maturing \$184,000 each A. & O. from Oct. 1917 to April 1927, both inclusive.—V. 105, p. 606, 389.

Grand Trunk Pacific Ry.—Mortgage.

The shareholders were to vote Oct. 2 on approving: A mortgage to be made by the company to His Majesty the King, acting in respect of the Dominion of Canada, to secure repayment of the sum of \$7,500,000, or so much thereof as may be advanced to the company pursuant to the Appropriation Act (No. 4) 1917. See V. 105, p. 497, 818, 997, 1415, 1522.

Illinois Central RR.—Extra Dividend.—An extra dividend of 1% has been declared on the \$109,281,822 stock in addition to the regular quarterly $1\frac{1}{2}$ %, both payable Dec. 1 to holders of record Nov. 5.

From 1905 to 1912 the regular dividend rate was 7% p. a.; in 1913, 6%; in 1914 and 1915, 5%; during the current calendar year 6% p. a. ($1\frac{1}{2}$ % quarterly) has been paid.—V. 105, p. 1309, 716.

Intermountain Ry., Light & Pow. Co.—Electricity Rates.

By a recent order of the Colorado P. U. Commission the rates for electric lighting and power in Lamar, Colo., are readjusted as follows: The residence minimum reduced from \$1.50 to \$1.25 net, the commercial minimum from \$2.80 to \$1.25 net, and the maximum rates for residence and commercial lighting from 15 to 14 cents per k. w. h. The new basis for municipal lighting will render it possible for the town to increase its municipal lighting 75% at an increase of only 15% in cost. See offering of bonds and description of property in V. 104, p. 1045.

Kansas City Railways.—Wage Increase.

This company has announced a voluntary wage increase of three cents per hour to all trainmen, effective from Oct. 1.—V. 105, p. 1208, 909.

Lehigh Valley Transit Co.—New Director.

George E. Clafin has been elected a director to succeed Charles E. Ingersoll, resigned.—V. 105, p. 606, 498.

Maine Central RR.—Date of Annual Meeting.

The stockholders of this road and its subsidiaries have voted to hold future annual meetings on the third Wednesday of April instead of October.—V. 105, p. 1316, 1303.

Middletown & Unionville RR.—Income Interest.

This company on Nov. 1 will pay the 2% interest on its Adjustment Income Mgt. bonds at the Bankers Trust Co., N. Y. City, being interest for the six months ending April 30 1917.—V. 104, p. 1702.

Missouri Kansas & Texas Ry.—Application for Co-Receiver Denied.

Judge Hook in the U. S. District Court for the Eastern Division of the Eastern District of Missouri on Oct. 15 denied the application of Speyer & Co. for the appointment of a co-receiver for the company, holding that the criticisms of the management of the road were not sustained.

Condensed Extracts from Decision of Judge Hook.

Speyer & Co. are not parties to the suit, but aver that their interest arises from their sale as bankers of certain junior securities and present ownership of a large part thereof by themselves and their customers. The trustees in the mortgage instruments covering securities of classes in question and protective committees of holders of them have not joined in the motion. The motion will be disposed of on its merits without considering the standing of Speyer & Co. to make it.

Criticism of the Receiver.

The grounds of the motion may be grouped under two heads:

First, the criticism of management by the present receiver. These, the Court finds, have not been sustained by proof and arguments presented. Second, that the attitude of the receiver towards the future of the property is too conservative, that he is not in accord with expert estimates of future earnings and costs and economies of operation, &c.; that he has wrongfully assumed the function of an expert adviser of those who have undertaken to formulate a plan of reorganization, and has impressed upon them his insufficient views of earning capacity of the railroad, with result that a proposed plan, based on estimated lower earnings, makes interest on the new securities to be issued for junior securities mentioned contingent instead of fixed or absolute.

But it does not appear that in expressing his views the receiver has exceeded limitations or proprieties of his position, or intended to impress them upon those engaged on plan of reorganization. He appears to have done little more than to give his opinion when sought. Furthermore, counsel for those at work on plan of reorganization says its terms so far as formulated are not based on anything the receiver has said or on any estimate he has given. But aside from all this, most of the objections made relate to future conditions about which skilled and competent men may widely differ. They are generally too conjectural to afford a fair basis for personal condemnation. The motion should be denied.

Position of Court upon General Subject of Reorganization.

But lest the position of the Court upon the general subject discussed at the hearing be misconstrued, it should be said that so far as it can legally do so, it will favor a plan of reorganization based on a conservative estimate of the future and so soundly framed as to withstand dangers of financial and commercial stress. It will not encourage a plan of reorganization having no adequate provision for future capital requirements, or one in which refinancing is so close to probabilities that earnings are likely to be absorbed in a lean year or a succession of them by fixed charges. The last reorganization of this company is an example of insufficient provision for necessary new capital, and it is one of the efficient causes of the present receiver-ship.

While a particular class of bond or note holders should not be denied the intrinsic value of their pledged security in its proper relation to property as a whole, the question whether they should continue to have interest as a fixed and absolute charge or whether their interest should be contingent on proved prosperity of the railroad is a matter of broad business policy in which they are not alone concerned. Ability of a railroad fully and promptly to discharge its duties to the public, and that is of primary concern, depends in great measure upon the free margin between net income and fixed charges.

Speyer & Co. have made the following statement:

Based on the report of our experts, and for other reasons, we felt it our duty, in the interests of the 4½% bondholders and noteholders whom we represent, and also as large owners of these securities, to ask that they be given representation in the receivership, and we regret, of course, that the Court decided not to change its personnel. But we are very much pleased that, as an incidental result of our application, the Judge has taken occasion to indicate the kind of reorganization which will commend itself to him. From the standpoint of the security holders whom we represent, we are in thorough accord with what he says, and we hope that any plans hereafter proposed will conform to the general ideas which Judge Hook has concisely and clearly expressed.

The operations of the road have recently shown some improvement, due to the introduction of more efficient methods. For the first eight months of 1917 the net income shows a surplus of over \$400,000 over all fixed charges as they were when the receiver was appointed. The last few months of the year are usually the best with the M. K. & T., and therefore the company should show a very considerable surplus over its old fixed charges, but, in our opinion, there is still room for improvement, as the net earnings per mile of the M. K. & T. are considerable below those of the Frisco and also of the Missouri Pacific systems.

We hope that the next plan of reorganization to be proposed will do justice to the real earning capacity of the road, and to the intrinsic value of the various classes of securities, especially to the 4½% bond and noteholders. (Compare V. 105, p. 909, 998, 1104.)—V. 105, p. 1420, 1209.

Missouri Pacific R.R.—Additional Representatives on Denver & Rio Grande Board.—See that company above.**Officers and Directors to Inspect Property.—**

The following eight directors in addition to Pres. Bush and operating officials will start next week for a week's inspection of the property: Harry Bronner, Chairman of Finance Committee; W. H. Williams, Vice-Pres. Delaware & Hudson; Carl Gray, President Western Maryland; C. E. Ingersoll, President of Midland Valley R.R.; Edgar L. Marston, of Blair & Co.; Lancaster Williams, of Middendorf, Williams & Co., Baltimore; W. H. Lee, President Merchants-Laclede National Bank of St. Louis; and Finley J. Shepard, Vice-Pres. Missouri Pacific.—V. 105, p. 1522, 1420.

Nashville-Gallatin Interurban Ry.—Sold.—

See Union Traction Co. below.—V. 105, p. 389.

New England Investment & Security Co.—Exchange of Pref. Shares—Plan Effective.—The Merchants' National Bank of Boston in circular of Sept. 20 addressed to the holders of its receipts for the pref. shares, says in substance:

By vote of the trustees of the New England Investment & Security Co. at a meeting held on Sept. 20 1917 the plan to exchange Worcester Consolidated Street Ry. Co. First Pref. stock for pref. shares of the New England Investment & Security Co., share for share, contemplated in the offer of said trustees approved by them June 8 1917 and contained in their circular dated June 9 1917, was declared to be operative and in effect, and the undersigned has received from said trustees the amount of Worcester Consolidated Street Ry. Co. First Pref. stock necessary to carry out such exchange. Upon surrender of our receipts, duly endorsed, the holder will be entitled to receive, without expense, the First Pref. stock of Worcester Consolidated Street Ry. Co.

[At the present time, we learn, no plan is under consideration for the merger of the controlled companies.—Ed.]—V. 104, p. 2557.

New York Central R.R.—Syndicate Dissolved.—

The syndicate headed by J. P. Morgan & Co., which underwrote this company's \$15,000,000 2-year 5% notes, has been dissolved, nearly all of the notes having been sold, leaving only a small balance to be distributed among the syndicate participants.

West Side Plan Rejected by Railroad Co.—

The company has rejected the tentative proposals for a settlement of the West Side improvement problem as contained in the Ottinger statute passed by the Legislature at Albany last spring. See V. 104, p. 2313, 1899.

Discontinuance of Service on Mahopac Falls R.R. Denied.—

The New York P. S. Commission has denied, for the seventh time, the petition of the company for permission to discontinue the passenger service on its Mahopac Falls R.R., a system operating between Mahopac Falls and Baldwin Place. The Commission decided that conditions do not warrant the discontinuance of the service.—V. 105, p. 1309, 1209.

New York New Haven & Hartford R.R.—Time Extension.

Judge Mayer in the United States District Court at N. Y. has issued an order extending from Jan. 1 1918 to Feb. 1 1919 the time in which the company should sell its holdings of Boston & Maine R.R. stock.

Loan of \$100,000 to Berkshire Street Ry.—

Judge Mayer in the Federal District Court at New York on Oct. 11 granted the company's application for authority to lend \$100,000 to the Berkshire Street Ry., to be used to pay 1st Mtge. bonds of the Hoosac Valley Ry., due July 1 last.—V. 105, p. 1420, 1413, 1209.

New York Railways Co.—Franchise Rejected.—

This company has declined to accept the contract drawn by the city for the franchise permitting the company to operate a surface line in West 86th St. from Central Park West to Broadway.—V. 105, p. 1522, 1309.

Northern Electric Ry., San Francisco.—Incorporated.

This company has been incorporated with nominal (\$10,000) capital stock, the directors including G. B. Davis, E. Coe and W. J. Hayes, presumably as successor of the company of similar name, for several years past in receivers' hands. See plan, V. 104, p. 1489, 1703; V. 105, p. 1420.

Northern Pacific Ry.—New Fiscal Year.—

This company has recently adopted the calendar year as its fiscal year, consequently there will be no financial report issued as of June 30 1917.—V. 105, p. 1310, 389.

Oregon Pacific & Eastern Ry.—Control.—

A press dispatch from Oregon on Oct. 5 says that the deal for the sale of this road, which had been in abeyance for some time, has been closed and J. H. Chambers of Cottage Grove, Ore., now has a controlling interest.—V. 98, p. 237.

Pacific Gas & Electric Co., San Fran.—Gas Rate.—

In settling the dispute between this company and the city of San Francisco, the Cal. R.R. Commission on Oct. 9 handed down a decision fixing the future rates for gas in the city at a maximum of 85 cents per 1,000 cu. ft. The company had sought to charge a maximum price of \$1 per 1,000.

The new schedule, according to the San Francisco "Chronicle," is as follows: First 10,000 cu. ft. a meter per month, 85 cents a 1,000; next 20,000 ft., 80 cents; next 40,000 ft., 75 cents; next 80,000 ft., 70 cents; next 150,000 ft., 60 cents. In apartment houses where at least four meters are continuously served from one service and in one location the minimum monthly meter charge will be 35 cents. Other meters will have a minimum charge of 50 cents a month.

The company has also filed an application for authority to increase its gas rates in all districts which it serves, except San Francisco, to equal an average increase of 12½% over present rates. The company requests authority to manufacture and sell gas of an average quality of 350 B.T.U. a cu. ft. as compared with the present 600.

See also Oro Electric Corp. under "Industrials" below.—V. 105, p. 1523.

Petaluma & Santa Rosa R.R.—Plan Discussed.—

The San Francisco "News Bureau" of Oct. 11 says: "The directors of the Petaluma & Santa Rosa R.R. Co. at a meeting in San Francisco took up the financial reorganization looking toward protecting the rights of the 2d mortgage bonds, which are now due. A new issue has been suggested as the best means of protecting the bonds. The matter has been referred to a special committee to work out a satisfactory plan."—V. 104, p. 1046.

Philadelphia Co., Pittsburgh.—Listing.—

The Philadelphia Stock Exchange has admitted to list \$5,614,000 1st Mtge. & Collateral Trust 5% gold bonds, due March 1 1949, and \$13,740,000 Consolidated Mtge. & Collateral Trust 5% gold bonds, due Nov. 1 1951, both stamped and certified under the sinking fund and redemption contract dated July 10 1917.—V. 105, p. 1105, 819.

Pittsburgh & West Virginia Ry.—Sinking Fund.—

See Pittsburgh Terminal R.R. & Coal Co. below.—V. 105, p. 607, 499.

Pittsburgh Terminal R.R. & Coal Co.—Tenders.—

The Colonial Trust Co., Pittsburgh, as trustee, will receive tenders until Oct. 25 for the sale of First Mtge. 5% 40-year sinking fund gold bonds of 1902; outstanding, \$3,614,000. The mortgage provides for the retirement of approximately \$250,000 per annum.—V. 104, p. 2453.

Portland (Ore.) Ry., L. & P. Co.—Fare Increase Denied.

The Oregon P. S. Commission has denied this company's application for an increase in street railway fares from 5 to 6 cents so that it might accede to the demands of the carmen who seek an eight-hour day and wage advance. The Commission, in admitting that the company's revenues are inadequate, recommends elimination of 4½-cent tickets, increase in price of school tickets from 3 1-3 cents to 4 cents, reduction of service, and that city eliminate paving charges and bridge tolls against company.—V. 104, p. 2343.

Public Service Corp. of N. J.—Sub. Gas Co. Decision.—

See Public Service Gas Co. under "Indus." below.—V. 105, p. 1310, 993

Quebec Ry., Lt., Ht. & Pow. Co., Ltd.—Earnings, &c.

June 30	Gross Earnings	Net Earnings	Other Income	Interest, Taxes, &c.	Balance
1916-17—	\$1,832,031	\$676,052	\$230,850	\$703,326	\$200,588
1915-16—	1,731,732	701,982	236,868	723,447	215,403

The total surplus June 30 1917, after deducting \$78,918 obsolete cars, discounts, &c., was \$684,572.

J. T. Donohue and Arthur Picard have been elected directors to succeed J. N. Greenshields, K. C. and D. O. L'Esperance. Hon. Robert Mackay, a director of the company, recently passed away.—V. 105, p. 998.

Rates.—Eastern Roads Again to Ask 15% Increase.—

The Eastern roads, it is announced, will shortly file proposals with the I.-S. C. Commission looking toward a 15% increase in the rates of all commodities for which an advance in tariff was refused by the Commission at previous hearings. The new petition of the railroads will also cover all the points made in the original appeal for a 15% advance.

The Commission, it is understood, has agreed to take the matter of the advance under consideration. While no official expression was forthcoming at the hearing in Washington on Oct. 17, it was the general impression that the carriers will be given some concessions. The Commission will make no further move in the matter until the railroads have filed their proposed increased schedule.—V. 105, p. 1310, 1210.

St. Louis-San Francisco Ry.—Wage Increases.—

This company on Oct. 1 granted increases in wages, ranging from 8 to 10%, to station agents, telegraph operators and other station employees, yard clerks and clerks in the general offices at Springfield, Mo., as well as clerks in the division offices, who had not been granted an increase since Jan. 1. The 10% increase was granted to those employees who received only a 4% increase in Aug. 1916, while the 8% increase goes to those who received a 6% advance at that time. ("Railway Age Gazette.")—V. 105, p. 910, 717.

San Francisco-Oakland Terminal Rys.—Coupons.—

Funds have been deposited with the National Park Bank, N. Y., and the Wells Fargo Nevada National Bank, San Francisco, to meet the coupons due Jan. 7 1917 on the First Consol. 6s of the Oakland Transit Co.

Proposition that City of Oakland Purchase the System.—

A press report from Oakland on Oct. 11 states that Mayor John L. Davis will ask the City Council to authorize a bond issue for the amount necessary to buy the company's entire street railway property.

Fare Increases Sought.—"Elec. Ry. Journal" Oct. 13 says:

The company has filed with the Calif. R.R. Commission two applications for fare adjustments, one by the Traction division embracing the former Oakland Traction Co. system, California Ry. and East Shore & Suburban], asking an increase of fares in the electric railway service in Alameda County and between points in Alameda and Contra Costa counties; and the other an amended application by the Key division embracing the former San Francisco Oakland & San Jose Consol. Ry., for a raise and adjustment of rates in the trans-bay passenger service.

The Traction division's application is a new one and recites that the value of the going concern of this part of the property is not less than \$12,000,000; that the gross revenue for the year ending June 30 1917 for the Traction division was \$3,242,849, and that the operating expenses were \$2,522,373, leaving an operating income of \$720,475 out of which to pay fixed charges, such as interest on bonds and return to stockholders. The Key Route recites that it will be put to an extra expense of \$240,000 if it grants the demands of its platform men on the Traction division, who are now seeking additional wages.

The first application of the Key division of the San Francisco-Oakland Terminal Rys. is now before the Commission, hearings having been held and a further hearing being set for Nov. 12. At present the question of a raise in wages of the motormen and conductors of the Key division is being arbitrated.

In the amended application filed on Sept. 28 it is shown that the gross revenue of the Key division for the year ending June 30 1917 was \$1,229,436 and the operating expenses were \$1,217,700, leaving a net return of \$11,735 with which to pay fixed charges, such as interest on bonds and interest on unsecured debts. The application also says that the company sustained a loss of \$261,623 because of the abandonment of the old Key division trestle last year.—V. 105, p. 1105, 820.

Southern Railway.—Definitive Stock Ready.—

J. P. Morgan & Co., as agents for voting trustees, give notice to holders of preferred stock trust certificates that their certificates may be exchanged on presentation at the office of the firm for definitive stock certificates before Oct. 31. The voting trust expired three years ago, and this action is now taken to assure payment of the recently declared dividend to the rightful owners.—V. 105, p. 1529, 1523.

Tacoma (Wash.) Ry. & Power Co.—Operate City Line.—

Manager Bean on Oct. 10 agreed to operate the city's new tide-flat carline on the conditions that the city furnish street cars and all equipment; the company to provide motormen and conductors, and keep the track and cars in repair. All money and tickets collected on the city line will be turned over to the City Treasurer and a monthly bill for actual operating expense will be given by the street railway company to the city. Commutation tickets will be issued by the city to any place outside city limits for six cents.—V. 98, p. 1539.

Trans-Mississippi Terminal R.R.—New President.—

J. L. Lancaster, receiver and President of the Texas & Pacific Ry., has been elected President to succeed J. A. Shepherd, resigned.—V. 105, p. 1523.

Twin City Rapid Transit Co.—Strike Ended.—

The Minn. Public Safety Commission on Oct. 9, after taking the strike situation on this company's lines out of the hands of both the city and the company, ordered: (a) immediate termination of the strike; (b) the strikers to return to work; and (c) the company to reinstate all men who had struck. The Commission declared the question of unionism should not be involved during the war. The cases of the 57 discharged men will be investigated.—V. 105, p. 1523, 1420.

Union Traction Co., Nashville, Tenn.—Successor Co.—

This company was recently incorporated with \$300,000 stock to take over the Nashville-Gallatin Interurban Ry., purchased at receiver's sale by the Southern Traction Co., trustee for the bondholders.—V. 105, p. 389.

United R.R. of San Francisco.—Suit vs. City.—

The company has filed with the San Francisco Board of Supervisors claims for damages from the city amounting to \$856,250, based on the city's action in paralleling the tracks of the company on Market St. from Van Ness Ave. to Church St. The claim is divided into three items, depreciation of value of franchise, \$700,000; loss by excavation, \$25,000, and loss of revenue at \$750 a month to 1929, \$131,250. See V. 105, p. 1523, 1420.

United Rys. Co. of St. Louis.—Tax and Franchise Data.

The Public Utilities Committee of the St. Louis Board of Aldermen on Oct. 11 failed to agree upon the retention of the mill tax of \$240,000 per year plus a 1% tax on the company's gross earnings provided in the pending settlement ordinance. It was pointed out, however, that no other plan of taxation had been adopted, although the board intends to make some new arrangement.

The committee at the meeting of Oct. 11 agreed upon an amendment to the effect that the city would grant the company a franchise to make either subway or surface extensions in any street, the company merely having to obtain consent of a board of control selected, one member each by the city, the company and the Court of Appeals.

The board of control may direct the company to construct a subway or to operate a subway constructed by the city, provided the subway would at least pay reasonable interest on its cost. If, however, the subway would not pay operating expenses in addition to interest on cost of construction, the board of control might only direct its construction by the company, provided it estimated that the surplus earnings of the company on its existing lines were great enough to cover the cost of operating the proposed subway. The same rules apply to surface extensions. Compare V. 105, p. 1523, 1421.

Western Maryland Ry.—New Mortgage—Notes to be Issued—New Director.—Stockholders at the annual meeting on Oct. 17, authorized (1) the creation of the new First & Refunding Mtge. contemplated by the merger plan of Feb. last (V. 103, p. 1700), under which the immediate issue was not to exceed \$7,500,000 5% bonds, part of these to remain in the treasury, and (2) an issue of \$5,000,000 7% 3-year notes dated Nov. 1 1917, secured by \$6,500,000 of the above bonds available for immediate issue. Equitable Trust Co., N. Y., is mortgage trustee. No circular, we are informed, has been issued regarding the new notes.

The shareholders also elected John N. Willys, Pres. of Willys-Overland Co., a director to succeed George J. Gould.

Other directors re-elected are: E. D. Adams, M. C. Byers, H. E. Cooper, Bertram Cutler, F. T. Gates, C. R. Gray, Lawrence Greer, A. W. Krech, F. I. Maeston, E. H. Smith, and W. A. Welber.

New Fiscal Year.

The company's fiscal year is concurrent with the calendar year, instead of June 30 as reported previously.—V. 105, p. 1421, 717.

Worcester Consol. Street Ry.—Exchange of Stock.

See New England Investment & Security Co. above.—V. 104, p. 2344.

INDUSTRIAL AND MISCELLANEOUS.

Alabama Co. (Coal & Iron)—Initial Dividend on Second Preferred.—An initial dividend of 7% has been declared on the \$1,500,000 non-cumulative second pref. stock out of net profits for the year ending Dec. 31 1917, payable Dec. 5 to holders of record Nov. 20.

All the three years' accumulations, 21%, were paid on the \$600,000 first pref. stock July 18 last, and on Oct. 1 a quarterly 1¼% was paid on that issue. There is also \$2,000,000 common stock outstanding.

The "Baltimore Sun" of Oct. 18 further reports that the directors also ordered: (a) the cancellation of the \$236,700 General Mtge. 6% bonds of 1913, recently bought in, and also the purchase of the sinking fund requirements of the issue due Nov. 1; (b) that \$20,000 5% Consols of 1903 in the treasury be surrendered to and canceled by the Baltimore Trust Co. in payment of sinking fund due under that issue Nov. 1 1917; (c) that all profit or surplus arising under the order be carried to "depreciation reserve" for the present; (d) subscription for \$100,000 Liberty Loan bonds.

Outstanding Bonded Debt.

	Originally.	Dec. 31 '16.
Alabama Consol. Coal & Iron 6s of 1901, due 1918, callable 102	\$500,000	\$354,000
Alabama First Consol 5s of 1903, due May 1 1933, callable at 105	2,191,000	1,576,000
Alabama Co. Gen. M. 6s of 1913, due May 1 1933, callable 105 (\$1,000,000 authorized)		936,700

Drewry & Merryman, Baltimore, are conversant with the company's affairs. Compare V. 105, p. 1210.

American Brass Co.—Extra Dividend.

An extra dividend of \$4 50 per share has been declared on the stock in addition to the regular quarterly \$1 50, both payable Nov. 15 to holders of record Oct. 31. In Aug. last the company paid \$11 extra per share.

An official statement says: The reduction in the extra distribution is made for the reason that the directors believe it to be for the best interest of the company and its stockholders to conserve its financial resources against the time when the company will be called upon to pay the large amount which will be due the U. S. Government for excess profits and income tax. The company will also owe to the State of Connecticut and Wisconsin for taxes levied in those States a large amount, which must be provided for in anticipation of the time it becomes due.

The company has subscribed \$1,000,000 to the Liberty Loan.—V. 105, p. 500, 182.

American Glue Co.—Extra Dividend.

An extra dividend of \$2 per share has been declared on the stock in addition to the regular semi-annual \$3 per share, both payable Nov. 1 to holders of record Oct. 20. A like amount was paid in May last.—V. 104, p. 2013.

American Locomotive Co.—Orders on Hand Aggregate \$77,000,000, Including \$40,000,000 from Private Buyers—Excess Profits Tax.—Chairman Schoonmaker told the stockholders at the annual meeting Oct. 16 that the company has unfilled orders for locomotives on hand amounting to \$77,000,000. Of this, \$40,000,000, he said, is in orders from private buyers, which will be held up until all Government and Allied work has been completed. President Schoonmaker is further quoted as saying:

The company's excess profits tax would come to about \$3,000,000 for the year ended June 30 last. For this there will be taken out of the current year's earnings, in addition to what was set aside from the last year's earnings, between \$700,000 and \$800,000.

The company at present is doing nothing but Government work, on which the profit will be very good. The unfilled orders stand about as they did at the close of the fiscal year, the Government orders received in July offsetting the completions made since June 30. The company is suffering from a serious shortage of both skilled and unskilled labor, but all plants, except those at Richmond and Montreal, which are in the course of reconstruction, are working at full capacity. Last week the plants turned out 41 locomotives. The two plants under reconstruction will begin producing locomotives again in December, when the output of the corporation, it is expected, will be largely increased. (See also Baldwin Locomotive Co. below, and compare V. 103, p. 1906.)

Russian Order.

See Baldwin Locomotive Works below.—V. 105, p. 906, 718.

American Pipe & Construction Co.—Stock Committee.

Charles J. McIlvain has succeeded Horace F. Weeks, deceased, as a member of the stockholders' protective committee. See V. 105, p. 1421.

The stockholders have adopted a resolution placing the committee on record as not opposing the continuation of Robert Wetherill as permanent receiver of the company. The 30-day appointment of Mr. Wetherill as temporary receiver by the Federal District Court expires Oct. 22, and this resolution will be submitted to the Court on that date by Francis B. Bracken of counsel for the committee.

The committee has also prepared a schedule of statistics indicating the methods employed in financing the corporation and its 14 subsidiaries by the various managements in recent years. It is understood that these statistics will be used as reference by the committee in protecting the interests of stockholders in the future.—V. 105, p. 1421, 1311.

American Shipbuilding Co.—Application to List.

This company has applied to the New York Stock Exchange for authority to list \$7,900,000 7% non-cumulative pref. stock and \$7,600,000 common stock.—V. 105, p. 1211, 821.

American Sumatra Tobacco Co.—Dividend Increased.—A quarterly dividend of 1¼% has been declared on the \$6,800,000 common stock, payable Nov. 1 to holders of record Oct. 25. This compares with the initial quarterly dividend of 1% in Aug. last.—V. 105, p. 1421, 1311.

American Telephone & Telegraph Co.—Earnings—

(1) Earnings Amer. Tel. & Tel. Co. for 9 Months ending Sept. 30.

9 Months to Sept. 30—	1917.	1916.	1917.	1916.
Earns.—Divs.	21,149,936	19,905,388		
Int. & rev. from associated cos.	13,138,973	10,607,764		
Telephone traffic.	6,610,576	5,958,126		
Other sources.	1,439,398	1,203,248		
Total income.	42,338,883	37,674,526	42,338,883	37,674,526
* One month estimated.				

(2) Consol. Earnings, Including Cos. (see below), 8 Mos. to Aug. 31.

8 Months to Aug. 31—	1917.	1916.	1917.	1916.
Exchange rev.	137,357,814	123,479,345		
Toll revenues.	55,031,691	46,285,308		
Miscell. revenues.	1,948,207	1,843,837		
Total revenues.	194,337,712	171,608,490		
Depreciation.	35,661,939	32,047,087		
Current maint.	26,581,455	22,422,458		
Traffic expenses.	43,341,721	34,644,908		
Comm'l. expenses.	18,817,837	16,879,270		
Gen'l. & exps.	9,117,311	7,574,696		
Uncollectible revs.	890,937	1,040,826		
Taxes.	12,486,620	9,413,579		
Operating income.	47,439,892	47,585,666	47,439,892	47,585,666
Net non-op. revs.	5,252,102	4,707,270	5,252,102	4,707,270
Gross income.	52,691,994	52,292,936		
Rent & miscellaneous deductions.	2,640,432	2,427,046		
Int. deductions.	14,593,286	12,160,677		
Net income.	35,458,276	37,705,213		
Divs. (paid for 6 mos. & estimated for 2 mos.).	24,024,668	23,260,162		
Oper. income.	47,439,892	47,585,666		
Consolidated earnings as shown above (marked No. 2) includes Amer. Tel. & Teleg. Co. and associated companies in the United States, not including connected independent or sub-licensee companies. All duplications, including interest, dividends and other payments to Amer. Tel. & Teleg. Co. by associated companies, are excluded.				
Miles of wire (owned) Aug. 31 1917 aggregated 21,632,720, against 19,209,325 as of Aug. 31 1916. Bell stations owned Aug. 31 1917 were 6,912,777, and Bell connected stations 13,412,623, against 6,324,433 and 3,266,655, respectively, as of Aug. 31 1916.—V. 105, p. 1106, 182.				

Bal., surplus... 11,433,608 14,445,051

Consolidated earnings as shown above (marked No. 2) includes Amer. Tel. & Teleg. Co. and associated companies in the United States, not including connected independent or sub-licensee companies. All duplications, including interest, dividends and other payments to Amer. Tel. & Teleg. Co. by associated companies, are excluded.

American Window Glass Co., Pittsburgh.—Earnings.

Aug. 31 Yrs.	1916-17.	1915-16.	1916-17.	1915-16.
Net profits.	\$4,932,893	\$3,461,978	\$3,044,139	\$180,536
Other income.	78,876	55,752	1,541,180	1,380,861
Total inc.	\$5,011,769	\$3,517,730	\$2,886,800	\$1,217,258
—V. 105, p. 500.				

American Zinc, Lead & Smelting Co.—New V.-Pres.

Henry A. Wentworth has been appointed Vice-President in charge of the newly formed exploration department.—V. 105, p. 911, 291.

Atlantic Gulf & West Indies Steamship Lines.—

Earnings (Sub. Cos.)—

	Month of July 1917.	1916.	7 Mos. end. July 31— 1917.	1916.
Operating & other income.	\$4,395,277	\$3,224,996	\$27,130,190	\$18,821,680
Operating expenses.	2,532,535	2,086,823	18,730,866	13,031,210
Total income.	\$1,862,742	\$1,138,173	\$8,399,325	\$5,790,670
Interest on bonded debt, rentals, &c. paid or accr.	\$139,119	\$139,853	\$1,003,568	\$961,632
Est. allow. for war income and excess profits taxes.	450,000		3,150,000	
Net income.	\$1,273,623	\$998,320	\$4,245,757	\$4,828,838
—V. 105, p. 1421, 1211.				

Atlantic Mutual Insurance Co., N. Y.—Redemption.

The outstanding certificates of profits of the issues of 1912, 1913 and 1914 will be paid to the holders thereof or to their legal representatives on and after Nov. 1 1917, together with a dividend of interest of 5% thereon, being at the rate of 6% p. a. —V. 104, p. 364.

Baldwin Locomotive Works.—Orders.—The Philadelphia

"Press" of Oct. 18 says in substance:

According to advices from Washington, of a total order for 640 locomotives for the French Government, the Baldwin Locomotive Works has received a contract for 600 gasoline engines. It was estimated that the value of the order roundly is \$4,500,000. The contracts were awarded with the approval of the U. S. Government. Some time ago the output of the Baldwin plant was placed at the disposal of the United States, and since the United States' entrance into the war rush orders have been going on for the American Government. Last July the Baldwin company received orders for 150 locomotives from the French Government, and it is still engaged on rush orders on locomotives to be used in connection with the movement of the American expeditionary force in France.

The Eddystone Ammunition Corporation, which leases some buildings at the Eddystone plant of the Baldwin company, and which has been engaged in manufacturing shells for the Allies, is now working on orders for the United States.

It is understood the company has also received orders for 300 large freight locomotives for the U. S. Government. The cost of these locomotives will approximate \$13,000,000, and the locomotives are to be of the same type as the Baldwin company has been building recently for the U. S. Government in France.

Russian Order.

In the Oct. 12 number of the "Railway Age Gazette" appears an illustrated article describing the Russian order for 1,231 heavy locomotives, of which number the Baldwin company is furnishing 725 and the American Locomotive Co. 506.—V. 105, p. 1211, 821.

Bethlehem Steel Corporation.—Merger of Shipbuilding

Companies.—The Corporation Trust Co. reports the incorporation Oct. 15 of the following new subsidiaries of the Bethlehem Steel Corporation in Delaware, viz.: (1) Bethlehem Shipbuilding Corporation, of Bethlehem, Pa., capital stock, \$12,500,000, all common. No bonds. (2) Moore Shipbuilding Corporation, of Bethlehem, Pa. Capital stock, \$1,000,000.

The new Moore Corporation will take over the S. L. Moore & Sons Corp. by purchase. Then the new Moore Corp. and the Harlan & Hollingsworth Corp., now a Delaware corporation, will be merged into the new Bethlehem Shipbuilding Corporation.

The plants and properties of the Fore River Shipbuilding Corp., Union I. W. Co. and Union I. W. D. D. Co., will be leased to the Bethlehem Shipbuilding Corp. All will be operated by the new corporation and known as Sparrows Point plant, Fore River plant, Union plant, Moore plant and Harlan plant. The officers of the Bethlehem Shipbuilding Corp. include: President, E. G. Grace (President of Bethlehem Steel Co.); Secretary, B. H. Jones; Treasurer, E. B. Hill. Main office Bethlehem, Pa.

These changes have been made in order to expedite the construction of shipping in the plants controlled by the Bethlehem Steel interests.

It is reported unofficially that the Bethlehem Steel Corporation has received orders from the Government for over 150 torpedo boats, to cost around \$1,500,000 each. The company's total orders are now said to aggregate \$500,000,000 gross business.—V. 105, p. 1524, 1422.

Borden's Condensed Milk Co.—New Officers.—Strike.

Albert G. Milbank has been elected Chairman of the Board (a new office). Arthur M. Milburn has been elected President to succeed S. F. Taylor.

Shepherd Rareshide succeeds Mr. Milburn as Asst. Treas., and William P. Marsh succeeds R. L. Cleary as Asst. Secretary.

Theodore F. Marseles and John J. Mitchell have been elected directors to succeed S. F. Taylor, and H. M. Hallock resigned.

Four hundred employees of the Borden's Farm Products Co., the largest distributing company in New York City, went on strike yesterday for increased wages and higher commissions on sales of milk. The strikers demand \$25 a week and a commission of 1% on collections. They also insist on two weeks' vacation every year and one day off a month. Chauffeurs ask \$25 a week for an eight-hour day. Wholesale drivers want \$28 a week. Up to yesterday the drivers were receiving \$21 and \$22 a week and a commission on sales.—V. 105, p. 1422, 292.

Boston Belting Corp.—Certificates.—

Stockholders of the Boston Belting Co. are notified that upon the presentation of their certificates of stock to F. S. Moseley & Co., 50 Congress St., Boston, duly endorsed in blank, there will be delivered in exchange therefor, in accordance with the vote of the stockholders—Sept. 14 1917, the sum of \$82 50 in cash, or check, per share, together with interest thereon at 3% per annum from Aug. 14 1917 to date of exchange, and an interim certificate receipt for the future delivery as and when engraved of the same number of shares of the pref. stock of the Boston Belting Corp. of the par value of \$50. Compare V. 105, p. 912.

Brown Shoe Co., Inc., St. Louis.—Army Contracts.—

Regarding the large orders recently placed for shoes for the United States Army, "Boston News Bureau" Oct. 17 said:

The Government contract for marching and trench shoes, just placed, amounts to 1,500,000 and not 1,410,000 pairs, as has been stated. This order, it is understood, is but the precursor of others to be placed in the near future. The average price at which these contracts were let was somewhat over \$4 65 per pair. On the succeeding orders, which are soon to follow, the price of \$4 65 will be used as an upset price, this being considered a fair basis. Of the total of 1,500,000 pairs, New England manufacturers secured more than half, substantially as follows: Rice & Hutchins, 300,000 pairs; George E. Keith Co., 200,000; Endicott Johnson & Co., 150,000; A. J. Bates Co., 50,000; Isaac Prouty Co., 100,000, and the F. M. Hoyt Co., 50,000. Western concerns were awarded contracts as follows: Brown Shoe Co., 310,000; Bradley & Metcalf, 15,000; Charles Keigley Co., 50,000, and Munn & Bush, 150,000. There were some other scattering awards.

These shoes went to the lowest bidders. It is understood that options on a sufficient quantity of all kinds of material have been secured, for the benefit of the bidders, at a maximum price. This is simply to assure them of these materials in necessary quantities. They are, however, at liberty to purchase materials below this maximum price. It is understood that the price of \$4 65 is rather a close one for some manufacturers and affords only a small margin of profit at best.

The same journal on the 18th had the following covering, it is understood, Government orders to date:

Of the total order for 7,064,000 pairs of army shoes, New England concerns got 4,662,000 pairs, including both field marching and field shoes. Concerns in the West and South received orders for 2,402,000 pairs. Awards to New England companies were:

Company and Place—	March. Shoes.	Field Shoes.	Total.
Condon Bros., Milwaukee, Wis.	43,000	—	43,000
Isaac Prouty & Co., Spencer, Mass.	85,000	170,000	255,000
E. W. Warren & Co., Somersworth, N. H.	85,000	85,000	170,000
Fred F. Field Co., Brockton, Mass.	13,000	425,000	438,000
C. A. Eaton Co., Brockton, Mass.	468,000	383,000	851,000
Rice & Hutchins, Boston, Mass.	172,000	255,000	427,000
R. P. Hazzard Co., Gardiner, Me.	128,000	128,000	256,000
Diamond Shoe Co., Brockton, Mass.	30,000	—	30,000
E. T. Wright & Co., Rockland, Mass.	170,000	—	170,000
J. H. Winchell, Haverhill, Mass.	64,000	64,000	128,000
Geo. E. Keith Co., Brockton, Mass.	128,000	128,000	256,000
Endicott, Johnson & Co., —	255,000	—	255,000
C. S. Marton, Haverhill, Mass.	43,000	—	43,000
A. J. Bates Co., Webster, Mass.	64,000	—	64,000
B. A. Corbin & Son, Webster, Mass.	—	425,000	425,000
Churchill & Alden Co., Brockton, Mass.	—	128,000	128,000
Farrington Shoe Co., Dover, N. H.	—	85,000	85,000
Emerson Shoe Co., Rockland, Mass.	—	43,000	43,000
W. H. McElwain Co., —	—	425,000	425,000
Thompson Bros., Brockton, Mass.	—	170,000	170,000
Totals	1,748,000	2,914,000	4,662,000

In reply to our inquiry as to the totals of shoe orders placed since the United States entered the war, the "Boston News Bureau" further advises the "Chronicle" as follows: "Orders for army shoes placed by the United States between Oct. 11 and 17 total 8,564,000. We figure 10,000,000 pair previously placed since the United States entered the war, making the total to date 18,564,000 pairs. In addition, orders placed for the account of the Russian Government in the last few months amount to 3,500,000 pairs and for Belgium 140,000 pairs, making a grand total since April of 22,204,000 pairs.—V. 104, p. 2120.

Burns Bros. (Coal Dealers), N. Y. City.—Extra Div.—

An extra div. of 1% has been declared payable in common stock in addition to the regular quarterly 1½%, both payable Nov. 15 to holders of record Nov. 1. The regular quarterly 1½% was also declared on the pref. stock, payable Nov. 1 to holders of record Oct. 20.—V. 105, p. 1422, 609.

Carwen Steel Tool Co.—Extra Dividend.—

An extra dividend of ½ of 1% has been declared on the stock in addition to the regular quarterly 2%, both payable Nov. 10 to holders of record Nov. 1. A like amount was paid in May and Aug. last.—V. 105, p. 292.

Cleveland Hardware Co.—Stock Increase.—

This company has increased its capital stock from \$2,000,000 (auth. and outstanding) to \$5,000,000 (par \$100).—V. 96, p. 363.

Cleveland Worsted Mills Co.—Acquisitions.—

Replying to our inquiry the company states that the two additional plants recently acquired were acquired by this company in the early part of the year. The one at Camden, N. J., was a complete worsted spinning plant, which was purchased entire with all its machinery, land and buildings. In the case of the Monohasset Worsteds Mills at Providence, R. I., the company purchased the land and buildings and equipped the same with machinery. There were no additional securities issued for this purpose.

The company is now operating the following plants: The Cleveland Worsted Mills Co., Cleveland, O.; the Annevar Dyeing & Finishing Works, Ravenna, O.; Redfern Worsteds Mills, Ravenna, O.; Lake Hodgson Water Works, Portage County, O.; Odsonia Worsteds Mills, Jamestown, N. Y.; Rowland Worsteds Mills, Philadelphia, Pa.; the Langford Worsteds Mills, Providence, R. I.; Ferncliff Worsteds Mills, Jamestown, N. Y.; Fern Rock Woolen Mills, Philadelphia, Pa.; Monohasset Woolen Mills, Providence, R. I.; Salisbury Worsteds Mill, Camden, N. J. Oliver M. Stafford is President; Geo. H. Hodgson, V.-Pres. & Gen. Mgr.; O. B. Greene, Sec. & Treas.—V. 105, p. 1211.

Columbia Gas & Electric Co.—Earnings.—

	—Month of September—	—9 Mos. end. Sept. 30—	—9 Mos. end. Sept. 30—
	1917.	1916.	1917.
Gross earnings	\$732,727	\$507,751	\$7,882,742
Net earnings	332,398	\$269,645	\$3,997,638
Other income	162,484	51,618	1,455,370
Total income	\$494,882	\$321,263	\$5,453,008
Rentals and interest chgs.	348,590	345,523	3,151,044
Balance, sur. or def.	sur. \$146,292	def. \$24,260	sur. \$2,301,964

Cincinnati Gas Rates—New Trolley Franchise.—

The Ohio P. U. Commission has rendered a decision that the 30-cent rate for gas in the city of Cincinnati was automatically suspended when this company's subsidiary, the Union Gas & Electric Co., filed a protest against the ordinance declaring for the 30c. rate and elected to charge 35c.

The Commission has not yet acted on the offer of the company to supply a \$250,000 bond to protect consumers' interests if finally it is decided that a 30c. rate is to be charged.

See also Cincinnati Newport & Covington Traction Co. under RRs. above. Compare V. 105, p. 1524, 1000, 719.

Consumers Co., Chicago.—Coal Strike Situation.—

In connection with the strike in the coal fields of Illinois and Indiana, it has been predicted that a few days more of present conditions will bring on a serious coal famine. Pres. Upham of this company is accredited with the statement on Oct. 17 that the Consumers Co. had but three days' supply of coal on hand, and that his loss since the strike began had been between 8,000 and 10,000 tons daily.—V. 105, p. 1212.

Corn Products Refining Co.—Status.—

We are advised that the company's plant at Edgewater, N. J., which handles approximately 30,000 bushels of corn daily when running at capacity, resumed operations Oct. 16. The Granite City and Argo plants started up some time ago, and it is expected that the Pekin and Oswego refineries will resume shortly.—V. 105, p. 1423, 1312.

Curtiss Aeroplane & Motor Corp.—Wage Increase.—

This company has announced a wage advance for its employees of 5%, amounting to \$8,000,000 per year and effective at once. A premium system making it possible for skilled men largely to increase their income has also been adopted. In addition to these advances it is announced that Pres. Morgan will distribute as premiums \$150,000 Liberty bonds.

The Curtiss Engineering Corp., a subsidiary of the Curtiss Aeroplane & Motor Corp. of Buffalo, organized with an authorized capital stock of \$1,000,000 to handle experimental work, has begun construction of a plant to cost, it is said, \$500,000. Glen Curtiss is President of the new company.—V. 105, p. 1000, 822.

Dallas (Tex.) Power & Light Co.—New Securities.—

This company, recently incorporated under the laws of Texas with \$150,000 capital stock, to operate under the new franchise described in this column Oct. 5 (p. 1418), has, under the caption "Dallas Electric Corp.," given notice of its desire to issue: (1) a further \$1,850,000 capital stock in \$100 shares; (2) \$4,000,000 6% unsecured notes due April 1 1922, executed in payment for property actually taken over. Compare V. 105, p. 1423, 1524.

East Ohio Gas Co., Cleveland, Ohio.—New Stock for Retirement of Bonds, &c.—

This company, it is stated, has applied to the Ohio P. U. Commission for permission to issue and sell at 90, \$20,000,000 of common stock, \$18,000,000 of which is to be used to retire at 105 the company's \$16,821,000 5% First Mtge. bonds, due 1939.

The company now has authorized and outstanding \$10,000,000 common stock and \$10,000,000 7% cum. pref. stock, par in each case \$100.—V. 100, p. 2170.

Edmunds & Jones Corp.—Sales.—

We are advised that the sales of this company for the half-year ending June 30 were approximately \$2,000,000, which is nearly double last year's sales for the same period. The plants are working at full capacity.—V. 105, p. 913.

Everett Mills, Boston, Mass.—Extra Dividend.—

An extra dividend of \$1 per share has been declared on the \$2,100,000 stock in addition to the regular semi-annual \$3 per share, both payable Nov. 1 to holders of record Oct. 22.—V. 104, p. 2346.

Fort Worth Power & Light Co.—Rate Advance.—

It is announced that on and after Nov. 1 the charge per k.w. hour for electricity will be 6 cents and 8 cents, as compared with a rate of 6 cents and 10 cents heretofore. This, it is estimated, will amount to a total net reduction of 20% to both domestic and commercial users. The minimum rate of 50 cents remains in force.—V. 104, p. 2121.

Guaranty Securities Corp.—New Officers—Dividend.—

H. M. Benson has been elected Secretary to succeed R. F. Wingard, resigned. The office of Treasurer is left vacant through the death of Mr. James Alexander. Asst. Treasurer W. J. Bold has also been elected Asst. Secy. to succeed John B. Swinney, resigned. D. P. Dinwoodie has been elected an Asst. Treas.

The regular quarterly dividend of 2% has been declared payable Oct. 25, to holders of record Oct. 22.

The directors have announced the establishment of a surplus out of undivided profits of \$150,000.—V. 105, p. 1525, 392.

General Chemical Co.—Earnings.—

	—3 Mos. to Sept. 30—	—9 Mos. to Sept. 30—	—9 Mos. to Sept. 30—
	1917.	1916.	1917.
Total profits	\$1,667,851	\$3,274,108	\$7,226,789
Pref. divs. (6% p. a.)	\$228,125	\$228,125	\$684,373
Common dividend—(2%)	314,652 (1½%)	196,659 (6%)	943,956 (4½%)
Insurance fund	75,000	60,000	120,000
Depreciation reserve	500,000	500,000	1,500,000
Balance, surplus	\$550,074	\$2,289,324	\$3,873,459
* After deducting (for the quarterly and 9 mos. period in 1917) allowance for estimated Federal taxes.	\$624,378	\$624,378	\$624,378

General Gas & Electric Co. (of Me.)—Earnings (Sub. Cos.)—For Month of Sept. 1917 and 1916.—

	1917.	1916.	1917.	1916.
Est. Gross for Sept.—	\$	\$	Est. Gross for Sept.—	\$
Penna. Utilities Co.	105,912	83,351	Binghamton system	30,015
Rutland system	42,234	40,275	Sayre system	8,278
Northwestern Ohio sys.	29,348	26,845	New Jersey system	18,380
Sandusky system	34,669	27,802		
—V. 105, p. 1423.			Total	268,836

Goldschmidt Detinning Co.—Extra Dividend.—

An extra dividend of 6% has been declared on the common stock, payable Dec. 1.—V. 97, p. 1826.

Grafton (W. Va.) Light & Power Co.—Bankrupt.—

The U. S. District Court at Philippi, W. Va., recently adjudicated this company as bankrupt. Col. John T. McGraw is said to be an unsecured creditor to the amount of \$150,000. Incorporated in West Virginia in April 1914 with \$500,000 auth. capital stock and funded debt reported as \$300,000, as a consolidation of Grafton Traction Co. (7 miles of track) and Grafton Gas & Elec. Co. Receivers, A. W. Burdett and G. W. Ford Grafton.

Granby Consol. Min. Smelt. & Power Co., Ltd.—

	Copper Produced (lbs.)—	Anyoz.	Grd. Forks. Both Plants.
September 1917	2,739,948	581,806	3,321,754
12 mos. ending Sept. 30 1917	35,521,961	9,334,121	44,856,082
—V. 105, p. 1423.			

Great Lakes Transit Corporation.—Five Small Boats Commandeered.—

Morton Lachenbruch & Co., investment bankers, New York, have the following official information: The Government has commandeered five vessels of the fleet. The five boats in question are commonly known as the northern boats and are the five smallest boats the corporation has. They are the only boats of their fleet that upon being cut in two can be taken through the Welland Canal. In view of the fact that these five boats will not be available next year, the company has discontinued the Lake Michigan service. The remainder of the fleet, consisting of 22 large vessels, will be fully employed to take care of their profitable Lake Superior service.—V. 105, p. 1423.

Gulf States Steel Co.—Earnings.—

	Month of September—	1917.	1916.	Increase.
Net operating income		\$287,193	\$256,178	\$31,015
—V. 105, p. 1313, 1213.				

Hale & Kilburn Co.—Tentative Plan.—

A newspaper report states that the tentative plan recently submitted to the stockholders by the management proposed a new company with a

capitalization consisting of \$1,000,000 8% pref. stock (convertible into common within 3 years, one share of pref. for two of com.), 45,000 shares of common (no par value), and \$1,000,000 in bonds or notes. Common stockholders, it is said, were to be offered one new share of common for each 40 shares of common now held; pref. holders one new common share for each ten shares of old pref. The plan called for the sale to a syndicate for \$1,850,000 cash of the \$1,000,000 of new notes or bonds, the \$1,000,000 new 8% pref., and the 19,676 shares of common stock, the sale being conditional on the present preferred holders purchasing \$500,000 of the new pref. at 95, with a bonus of 1½ shares of new common. Of the new common, 20,000 shares were to be reserved for conversion of the pref. and 25,000 shares were to be issued.

On Dec. 31 1916 there were outstanding \$4,323,400 7% cum. pref. stock and \$4,000,000 com. stock (par of each, \$100), and \$750,000 coupon notes; also \$700,000 bills payable and \$317,911 accounts payable, as against \$109,167 cash and \$541,618 accounts receivable.

It is understood that the plan has not been approved. Compare V. 105, p. 1525.

Hopkins & Allen Arms Co.—Sale Postponed.—

The sale of this company's plant at Norwich, Conn., which was to have taken place Oct. 17, has been postponed until Oct. 24, the change in the date resulting from a petition to the court by certain shareholders of the company objecting to the plan (as set forth in V. 105, p. 1001), by which the Marlin-Rockwell Corp. would complete the company's order for 150,000 rifles for the Belgian Govt. Compare V. 105, p. 1108, 1001.

Inspiration Consol. Copper Co.—Production (In lbs.)—

1917—September—1916.	Decrease.	1917—9 Months—1916.	Decrease.
2,250,000	11,850,000	9,600,000	69,650,000
		88,493,885	18,843,885

—V. 105, p. 1214, 611.

International Nickel Co.—New President.—Director.—

W. A. Bostwick has been elected President to succeed Ambrose Monell, who resigned to enter the Government service. Robert C. Stanley succeeds Mr. Monell as a director.

The company has subscribed to \$1,000,000 of the new Liberty loan. The voting trust agreement of the International Nickel Co. having expired by limitation, the Bankers Trust Co. is now issuing stock in exchange for the outstanding voting trust certificates.—V. 105, p. 1526, 1108.

Isle Royale Copper Co.—Dividend Reduced.—A quarterly dividend of \$1 per share has been declared on the stock payable Oct. 31 to holders of record Oct. 18. This compares with \$1 50 each in April and July last and \$1 and \$1 extra in January.—V. 104, p. 1493.

Jackson (O.) Water Supply Co.—Officers.—

Allen H. Legg, of H. C. Spiller & Co., Inc., has been elected Secretary and Treasurer, and Donald N. Gilbert, of the same firm, has been elected a director.—V. 105, p. 719.

Kansas City Stock Yards Co.—Fire Damage.—

Fire in the Kansas City stock yards on Oct. 16 resulted in damages variously estimated at from \$500,000 to \$750,000, more than one-half of the properties, which are said to be the second largest in the country, being destroyed. Several thousand head of cattle perished out of the total of 47,000, which were in the enclosures at the time of outbreak of the fire.—V. 101, p. 1373.

Kennecott Copper Corp., N. Y.—Notes Reduced to \$8,850,000.—The corporation has reduced its outstanding note issue from \$16,000,000 to approximately \$8,850,000 by anticipating payment on the difference.

Early this year the Kennecott company sold to J. P. Morgan & Co. \$16,000,000 unsecured notes to finance in large part the purchase of a block of Utah Copper shares. While the company at that time had a surplus fully as large as the amount of notes issued, much of it was in copper sold, but not delivered, and although a large part of the funds could have been drawn against the American Smelting & Refining Co. as sales agent, it was decided by the management a better policy to finance through short-term notes. Since the notes were issued, considerable new cash has been paid into the treasury from copper actually delivered, and this was used in taking up about one-half of the indebtedness.

The Braden Co., as yet, pays nothing into the parent company's treasury, although earning profits. The policy has been to put back into property and plant all available funds to bring capacity up to around 20,000 tons of ore daily.—V. 105, p. 1526, 1002.

Kerr Lake Mining Co. (of N. Y.), Cobalt, Ont.—

Reincorporation.—The shareholders will vote Nov. 12 on dissolving this New York holding company and transferring all its assets to a new corporation to be organized under the laws of Ontario, with precisely the same capitalization, namely 3,000,000 shares of \$5 each. This step is expected to effect a very considerable saving in expenses. An official circular dated Oct. 9 further says:

It is contemplated that the new Canadian corporation will in due course acquire by transfer the physical assets of the present Canadian operating company, so that the ownership of the mines will eventually be vested in the new corporation to be organized. The new Canadian corporation will maintain stock transfer offices in New York, Boston and Toronto. [Pres. Adolph Lewisohn. The N. Y. office is at 61 Broadway.] V. 105, p. 1424.

Knight Tire & Rubber Co.—Merger Data.—

See Republic Rubber Corporation below.

Lima Locomotive Works, Inc.—Initial Dividend.—An initial semi-annual dividend of 3½% has been declared on the pref. stock, payable Oct. 31 to holders of record Oct. 24.—

The company has made rapid strides since leading banking interests became identified with the property now many months ago. Business is booked well through 1918 at very profitable contract prices.—V. 104, p. 1149.

Long Island Lighting Co.—Additional Securities.—

This company has applied to the New York P. S. Commission for authority to issue \$100,000 common stock and \$143,000 First Mtge. 5% gold bonds, the proceeds to be used to provide additional working capital and for accounts and bills payable, respectively.—V. 105, p. 1313, 293.

Ludlow Mfg. Associates, Boston.—Special Dividend.—

A special dividend of \$1 a share has been declared on the stock in addition to the regular quarterly \$1 50 per share, payable Dec. 1 to holders of record Nov. 1. Like amounts were paid Feb., May and Aug. last.—V. 105, p. 293.

(W. H.) McElwain Co.—Army Shoe Contracts.—

See Brown Shoe Co., Inc., above.—V. 104, p. 1707.

Merchants Mfg. Co., Fall River.—Extra Dividend.—

An extra dividend of 2½% has been declared on the \$1,200,000 stock in addition to the regular quarterly 1½%, both payable Nov. 1. A like amount was paid in Aug. last.—V. 105, p. 293.

New England Power Co.—Contract.—

See Edison Electric Illuminating Co. of Boston under "Reports" above.—V. 105, p. 612, 503.

Ogilvie Flour Mills Co., Ltd., Montreal.—Earnings.—

Aug. 31 Years—	1916-17.	1915-16.	1916-17.	1915-16.
Net, after int., &c.	\$1,358,847	\$774,270	Com. divs.*	(25)\$625,000 (12)\$300,000
Pref. divs. (7%)	140,000	140,000	Balance, surplus	\$593,847 \$334,270

* Includes in addition to the regular 8%, a bonus of 15% in 1916-17 against 4% in 1915-16.
a After payment of bond interest and allowing for provision for war tax.
—V. 105, p. 1215.

Ohio Cities Gas Co.—Dividends in Stock and Cash.—

A stock dividend of 5% has been declared on the common stock, payable in common stock on Feb. 1 1918 to holders of record Jan. 15 1918. The regular quarterly cash dividend of 5% on the common stock was also declared, payable Dec. 1 to holders of record Nov. 15.

Status.—Pres. Beman G. Dawes, is quoted as saying in Chicago on Oct. 10 that the earnings since Sept. 1, have been at rate of \$1,250,000 monthly. Pres. Dawes further said:

The present market for securities is such that stockholders in our company, as well as in others, are disturbed. The stock is now selling at about one-half the price it did six months ago. Meanwhile our profits are larger than they were then, and have more than met our expectations, a gratifying position for the company in view of what we considered its prospects six months ago.

We have \$15,000,000 of quick assets, over and above current liabilities, and of these assets about \$9,000,000 is cash. There exists no reason for any change in our dividend rate of 20% cash on the common stock, with 5% stock dividend, which will be payable at the end of the year and be declared at our next dividend meeting.

The stock dividend would have been declared at the same time as last year but for our inability to estimate what would be the taxes ordered by the Government. Since the enactment of the revenue bill we have been able to figure, approximately at least, what the charge would be, and don't think it will be in excess of \$1,400,000. With that estimate we are prepared to declare the dividend.

Federal Needs.—There has been a great deal of misunderstanding of the requirements of the Government with reference to the oil companies. Secretary Baker estimated there would be needed 50,000,000 barrels fuel oil. This was not for a year, however, but for a period of three years, and really amounts to but little when divided up among the producing companies of the country. Our share has been of but small consequence.

I don't know whether the Government will undertake to fix the price of oil to apply to the private consumers as well as the Government, but I think not. Anyway, the prices thus far paid for fuel oil have been but a cent or two below the market. As to gasoline, our company alone could supply all the Government will require.

Expansion.—We are constantly expending out of earnings and charging to expense between \$3,000,000 and \$4,000,000 a year for new acreage and development work. Our production of crude oil is now about 13,000 barrels a day against 2,100 a year ago. Since that time we have acquired properties in Oklahoma and the properties of the Pure Oil Co. (V. 105, p. 76). Both purchases have proved splendid investments. The Oklahoma property was purchased on the basis of 90c. a barrel of oil. The same oil now commands \$2 20 a barrel. Our West Virginia production, the highest grade oil in the world, has more than doubled. We get \$4 25 a barrel for it. A year ago we were producing no gasoline. Now with the refineries acquired and casing head plant we are producing about 200,000 gallons a day. We shall shortly complete another casing head gas plant.

Pipe Line.—The acquisition of the Pure Oil Co. gave us a pipe line outlet to the seaboard. With all our refining capacity going we shall be able to convert our Ohio and West Virginia crude oil and realize the pipe line, refining and marketing profits which now go to one of the Standard Oil companies to which we have been selling a part of our Eastern production.

Re-Appraisal.—The revaluation of our plants, or rather reappraisals, by which \$36,000,000 was added to assets, was done before there was any revenue legislation and was for the purpose of equalizing our capital account. It was done under three different sets of appraisers and under the best legal advice. We have not the slightest doubt that it will stand. From the total, however, we cut off \$5,000,000 in order to be conservative.

Production—Prices.—At present the production in the oil industry is a little below demand. Prices of oil are in harmony with this market condition. An increased production or reduced demand would lower the price of oil. But there is nothing apparent in the situation that may be regarded as abnormal, so that the prospect is for a continuance of present conditions.

The consumption in the United States has about doubled since the beginning of the war. Meanwhile exports, which were about 38% of this country's production, are now but 15%. This latter per cent is so small as not to govern prices. After the war the normal growth of industry abroad should lead to an increased demand from that source.—V. 105, p. 1424, 824.

Oklahoma Natural Gas Co.—Initial Dividend.—

An initial quarterly dividend of 2% was declared last week on the \$8,000,000 stock of this consolidated company, payable Oct. 20 to holders of record Oct. 9.

The company recently absorbed the Caney River Natural Gas Co. and the Osage & Oklahoma Gas Co. through the exchange of stock, per plan in V. 105, p. 824, and the present dividend, it is said, would correspond to an increase in the annual rate of the old Oklahoma from 5 to 8% on Caney River from 10 to 16% and on Osage from 9 to 10 2-3%, the calculation being based upon the rates of dividends paid and the terms of exchange for the old stocks into the new.—V. 105, p. 824, 1204.

Oro Electric Corporation.—Assessment—Notice to Common Shareholders.—

Holders of the common stock of this corporation, all of whose public utility properties were acquired in Jan. 1917 by the Pacific Gas & Electric Corp., are in receipt of the following from the directors:

At the recent meeting of the board at which the assessment of \$4 per share upon its preferred and common stock was levied, it was suggested that, in justice to the numerous holders of common stock, a brief statement should be made to them regarding the amount of preferred stock outstanding and the amount of unpaid dividends which have accumulated thereon, so that they might be the better able to judge what action they should take with reference to said assessment upon said common shares. Accordingly we have to say that there are outstanding, exclusive of inter-company holdings, 27,386 preferred shares of said company and 36,901 common shares. The dividends upon the preferred shares are cumulative, and the amount of dividends due thereon and unpaid on Sept. 1 1917 was \$25 per share. The preferred shares are, as you are no doubt aware, preferred both as to dividends and as to assets, and it is assumed that the preferred stockholders will pay said assessment.

The payment of the assessment on the 27,386 shares of preferred outstanding will yield approximately \$109,000, which it is said will be used to meet a provision in the deed of trust requiring the corporation to invest \$100,000 in additional mineral land or dredging equipment, to be placed as further security behind the Oro Electric 6% bonds purchased by the Pacific Gas & Electric Co. (See that co., V. 103, p. 321.) The Oro Water, Light & Power Co., whose entire capital stock was acquired by the Oro Electric Corp. in Nov. 1911, is said to own some 5,600 acres, on which at last accounts it had four gold dredges in operation with two more building. The American Gold Dredging Co. was expected to take over this mining, &c., property, its entire capital stock to be owned by the Oro Water, Light & Power Co.—V. 103, p. 325.

Osceola Co. sol. Copper Minin Co.—Dividend Reduced.

A quarterly dividend of \$2 per share has been declared on the stock, payable Oct. 31 to holders of record Oct. 18. This compares with \$6 each per share in Jan., April and July, making \$20 for 1917. Previous dividends were:

Dividends—	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.
\$ per share	2	2	10	7.5	12.5	10.5	2	8	16

—V. 104, p. 950.

Pennsylvania Gasoline Co.—New Pref. Stock Offered.—

E. D. Warren & Co., N. Y., are offering at par (\$10), \$200,000 of this company's new issue of 8% cumulative Participating Pref. (a. & d.) stock authorized by the shareholders Aug. 16 last. Total authorized issue, \$500,000; presently issuable, \$200,000. Common stock auth. and issued, \$1,500,000; par, \$1.

Dividends on the new pref. stock are payable F. & A. 15, redeemable at \$11 per share after one year from date of issue, on 30 days' notice. Non-voting unless one year's dividends have been passed, in which case each share of pref. and common stock is entitled to one vote. Further data

should appear another week. For offering of common stock see V. 102, p. 1441; V. 103, p. 65.

Pennsylvania Salt Mfg. Co.—War Tax "Guess."

In connection with the setting aside by this company of the sum of \$150,000 for payment of the excess profits taxes for six months, Pres. Joseph Moore Jr. says: "Guesswork, mere guesswork. We don't know whether \$150,000 is too high or too low a figure at which to set our taxes on the excess profits of our company for the first six months of this year, which corresponds with the last six months of our fiscal year. We will set aside another sum for the next six months, and if the \$150,000 we have set aside is too high we will set aside a lesser sum next time. If too low, we will have to provide a larger sum next time. We arrived at the amount by no scientific process. The law is too complex for that at this time."—V. 105, p. 1520.

Philadelphia Electric Co. (of N. J.).—Exchange of Stock Certificates Called for.—

The stockholders of Philadelphia Electric Co. (of New Jersey) having on Oct. 17 adopted by a vote of 727,852 the plan for exchange of stock, dated Sept. 25 1917, \$ for \$, for stock of the Philadelphia Electric Co. (of Pennsylvania), are requested to deposit as promptly as possible, but not later than Nov. 8 1917, their certificates of stock, duly endorsed for transfer, with the Land Title & Trust Co., Phila.—V. 105, p. 1425, 1314, 1527.

Pittsburgh Brewing Co.—Accumulated Dividend.—

A special dividend of 1% has been declared on the pref. stock on account of accumulations, payable Oct. 31 to holders of record Oct. 22. In May and August last ¼ of 1% was paid on this account.—V. 105, p. 721.

Pocatello Power & Irrigation Co.—Bonds Called.—

All the outstanding (\$9,000) 6% First Mtge. gold bonds, dated Nov. 1 1899, have been called for payment Nov. 1 at 103 and int. at Chicago Title & Trust Co.

Providence Gas Co.—Gas Rate Litigation.—

Alleging that the Rhode Island P. S. Commission has no authority to order suspension of the proposed gas rate increase, pending investigation, the company has filed an appeal to the State Supreme Court. The company had filed notice of the proposed increase to take effect as of Oct. 1, but the Commission denied permission for the advance until further investigation was made.

A Providence paper states that the new rates for gas are in effect, despite the fact that the appeal from the order of the P. U. Commission suspending the rates is still pending in the Supreme Court and will not be heard until Oct. 22. Since Oct. 1 the company has been billing gas at the new price. The new schedule makes the price \$1 per 1,000 cu. ft. net, instead of 85 cents net.—V. 105, p. 825.

Public Service Gas Co. of New Jersey.—Decision.—

The gas companies in the State of New Jersey have been denied by the Board of P. U. Commissioners their petition for the fixing of a lower heating standard for gas than is now fixed, the commissioners ruling that the present standard be not disturbed.

The companies in support of their proposed reduction contended that: (a) the increased cost of manufacturing and distributing gas; (b) the claim that the consumer can burn more efficiently in ordinary appliances a leaner gas than is required by the present standard; and (c) that the necessities of war require additional quantities of benzol and toluol for the manufacture of explosives, which substances can be secured only by washing the gas of the light oils and reducing its calorific value.—V. 105, p. 1314.

Republic Iron & Steel Co.—Earnings for 9 Months to Sept. 30 1917 and Calendar Year 1916.—

	9 Mos. 1917.	Year 1916.
Net earnings.....	\$23,311,988	\$16,544,636
Other income.....	190,533	348,576
Total income.....	\$23,502,521	\$16,893,212
Depreciation, &c.....	\$1,037,152	\$1,000,091
Exhaustion of minerals.....	202,585	245,222
Interest on bonds, &c.....	580,841	858,737
Excess profits tax, &c.....	8,636,605	
Preferred dividends.....	(5¼%) 1,312,500	(18¼) 4,500,000
Common dividend.....	(4½%) 1,223,595	(1½) 407,865
Balance, surplus.....	\$10,509,243	\$9,881,298

* After deducting maintenance and repairs of plants amounting to \$467,130 for the 9 months in 1917, against \$2,138,373 for the cal. year 1916.

The above statement for the 9 months period in 1917 provides for the full estimated amount of accrued excess profits and income tax for the year to date, under the Act of Oct. 4 1917.

The foregoing statement is subject to adjustment at the end of the year, when accounts are finally audited.—V. 105, p. 394, 295.

Republic Rubber Corp.—Organization of New Merger Corporation Announced—Terms of Exchange of Stock—Management, &c.—Pres. Guy E. Norwood of the Republic Rubber Co., at Youngstown, O., on Oct. 10 announced the organization under New York laws of this corporation which will at once acquire a controlling interest in the Republic Rubber Co. of Youngstown, O., and the Knight Tire & Rubber Co. of Canton, O., and will eventually, it is expected, take over the entire physical property and assets of both these constituent companies.

The Youngstown "Vindicator" says in substance:

Capitalization.—The Republic Rubber Corporation, incorporated in N. Y. on Oct. 6, will have an authorized capital of \$10,000,000 pref. stock, par \$100, and 250,000 shares of common stock, no par value. Both preferred and common shares will be made non-taxable in Ohio.

Exchange of Stock.—Pres. Norwood stated that the preferred shareholders of both the Republic Rubber Co. and the Knight Tire & Rubber Co. may convert their present holdings of preferred stock into an equivalent number of preferred shares of the new company. The holders of the [\$3,770,700] common stock of the Republic Rubber Co. will receive in exchange for their present shares 5 shares of the no par value common stock of the new corporation for each share of the old. Holders of the [\$527,000] common stock of the Knight Tire & Rubber Co. will receive 2 1-10 shares of the common stock of the new corporation for each share of the old Knight common stock. Fractional shares will be adjusted upon the basis of \$35 per share for the new common stock.

New Preferred Issue.—In addition the new corporation will immediately offer and sell \$3,000,000 of its authorized preferred issue. It is understood that a considerable portion of this will be taken by the old shareholders of the Republic Rubber Co. and the Knight company, but the management states that the entire issue has already been underwritten. This new money will be used in bringing up the productive capacity of the two properties, as already outlined, and in furnishing the necessary working capital for the increased business.

Outstanding Stock.—Of the preferred, Mr. Norwood states that after the transfer and the sale (probably about Nov. 1) of the new \$3,000,000, pref. the company will have approximately \$6,750,000 outstanding, the balance remaining in the treasury. The old Republic company has about \$3,500,000 of pref. outstanding, while the Knight company has \$250,000.

Of the common stock the new company will issue a total of 199,620 shares to take up the outstanding shares of both concerns. The rest of the common amounting to 50,380 shares, will be retained in the treasury for the present. Basing the common stock at \$35 a share the corporation will then have a total of \$13,736,700 stock of both issues outstanding, including \$6,750,000 of preferred and \$6,986,700 of common.

Dividends.—It is announced that the new preferred stock will be 7% cumulative, dividends payable Q.-M. There will be no break in preferred payments and the usual disbursement due Dec. 1 will be made.

While it has not yet been decided what dividend rate the new common will bear, it is stated authoritatively that it will not be less proportionately than the old Republic common paid, 8% annually. At this rate the new common issue would pay \$1 60 per annum for each share. The regular payment of 2% on common stock of the old Republic will be paid Nov. 1. The Knight company has never paid dividends on common.

Fiscal Year.—The fiscal year will be the same as the calendar year.

Management.—It is understood that the present officers and directors of the Republic company will act in similar capacities with the new corporation. Among these are Guy E. Norwood, who will be President of the new corporation, and who has been associated (as Secretary) with the B. F. Goodrich Co. and the Diamond Rubber Co. H. J. Woodward, formerly with the Diamond company and the Knight company, is Gen. Mgr. of sales of the new corporation. Mark W. Roe, formerly with the B. F. Goodrich Co. and the McGraw Rubber Co., is consulting engineer. Thomas L. Robinson, now Chairman of the board of the Youngstown company, will act in the same capacity with the Republic Rubber Corporation. L. T. Peterson, Vice-Pres., will have the same connection with the new corporation, serving as General Manager.

Directors.—The organization meeting of the corporation of New York was held Oct. 9 in N. Y., and the following board chosen: Guy E. Norwood, (President); Henry M. Garlick, President of Standard Oil Cloth Co.; C. H. Booth, Vice-President United Engineering & Foundry Co.; John Tod, Vice-President Brier Hill Steel Co.; Robert Bentley, President Ohio Iron & Steel Co.; M. I. Arms, Chairman General Fireproofing Co. and President Ohio Leather Co.; John T. Harrington, senior partner of Harrington, DeFord, Heim & Osborne (counsel for the company); R. E. Cornelius, President Mahoning Nat. Bank; John C. Wick, Vice-President Dollar Savings & Trust Co.; L. T. Peterson, Vice-President Republic Rubber Co., and Thomas L. Robinson, who will act as Chairman of the board.

It is understood that the main office will be retained in Youngstown. The New York office will be in the Singer Building in New York City.

Regarding the business and properties of the two constituent companies, the "Vindicator" also says in substance:

The Republic company, it is reported, has been far behind in its deliveries owing to the constantly increasing demand, not only in its tire and tube departments, but in its truck tire and mechanical goods divisions. The Republic plant on Albert St., Youngstown, is a thoroughly modern rubber factory with a pneumatic tire capacity of something over 2,000 tires a day, which will be immediately increased to 3,000 per day. The truck tire output will be tripled and increases will be made in the various mechanical goods departments.

The property of the Knight Tire & Rubber Co. is located on the main line of the Pennsylvania Co. at Canton, O., with excellent water supply and unusually good shipping facilities. It will be used by the new concern entirely as a tire factory and will have a capacity of at least 1,000 tires a day (now about 600 daily), part of which will be made under the Knight brands of "Knight" and "Blackstone."

The Youngstown factory alone is now doing a business of \$12,000,000 a year and an estimate for the combined business during 1918 would be \$18,000,000 to \$20,000,000.

The merger corporation will rank fifth among the rubber companies of the U. S. in volume of business, being surpassed in this respect only by the United States Tire & Rubber Co., Goodyear, Goodrich and Firestone. [The Corporation Trust Co., 37 Wall St., N. Y., reports the incorporation of the new company under the laws of N. Y. State on Oct. 6 1917 with \$11,250,000 of stated capital.]—V. 105, p. 1527, 185.

(R. J.) Reynolds Tobacco Co.—Stock Increase.—The shareholders will vote Nov. 1 on increasing the authorized capital stock by \$20,000,000, consisting of \$10,000,000 additional 7% cum. pref. and \$10,000,000 new Class B common stock. The total auth. capital will, if the increase is voted, consist of \$20,000,000 7% cum. pref., \$10,000,000 Class A com. and \$10,000,000 Class B com. (par \$100). The official circular states that Class B common will have the same rights and privileges as Class A, except it will have no voting power unless the company fails, for 90 days, to pay the regular common stock dividend.

President R. J. Reynolds in circular dated Oct. 9, says in substance:

To meet the demands of the rapidly increasing business of this company, the directors deem it advisable to increase the authorized capital stock and to make provision for its issuance as and when needed. You are familiar with the splendid showing made by the company last year. A very substantial increase is being shown this year, with a corresponding increase in profits.—V. 105, p. 1110, 185.

St. Lawrence Flour Mills Co., Ltd.—Initial Dividend.—

An initial quarterly dividend of 1¼% has been declared on the common stock, payable Nov. 1.—V. 99, p. 1837.

San Diego Consolidated Gas & Electric Co.—Notes.—

The Calif. R.R. Commission has authorized this company to use \$229,000 of the notes recently authorized (V. 105, p. 1215) for capital expenditures, to pay in part \$389,327 of current and open accounts. Compare V. 105, p. 1215, 1004.

Savannah Sugar Refining Corp.—Plant Shut Down.—

Owing to the inability of this company to obtain raw sugar, announcement is made that the plant at Port Wentworth, Ga., closed Oct. 9 for an indefinite period.—V. 105, p. 1110, 77.

Semet Solvay Co.—New Director.—

Alfred W. Hudson, President of the First National Bank of Syracuse has been elected a director.—V. 105, p. 721, 394.

Shannon Copper Co.—Dividend.—

The regular quarterly dividend of 25 cents per share has been declared on the stock, payable Nov. 15 to holders of record Oct. 31.

Suspension of mining operations for three months on account of labor troubles has caused the extra dividend paid since Nov. 1916 to be omitted at this time.—V. 105, p. 185.

Shattuck Arizona Copper Co., N. Y.—Production.—

	Copper (lbs.)	Lead (lbs.)	Silver (oz.)	Gold (oz.)
September 1917.....	711,924	41,362	3,631	84.76
Nine months 1917.....	9,722,571	1,840,795	124,478	1,286.89

Shenango Furnace Co.—First Mtge. Bonds Called.—

All the outstanding (\$680,000) First Mtge. 5% gold bonds, dated Feb. 1 1906, have been called for payment on Feb. 1 1918 at par and int. at Union Trust Co. of Pittsburgh.—V. 105, p. 1215.

Sierra & San Francisco Power Co.—Purchase.—

The Calif. R.R. Commission has authorized this company to use \$450,000 of the funds obtained from the sale of \$1,000,000 5% 40-year gold bonds (V. 103, p. 1691) for the purchase of the La Grange Division of the Yosemite Power Co., described in considerable detail in V. 105, p. 1528, 1426.

Stafford (Cotton) Mills Corp., Fall River.—Extra Div.

An extra dividend of 1% has been declared on the \$1,000,000 stock in addition to the regular quarterly 1¼% both payable Nov. 1. On Jan. 1 last the company had 114,584 spindles and 2,695 looms.

Tide Water Oil Co.—Wage Advance.—

This company has announced an increase of 10% in wages, effective Oct. 15, affecting about 2,500 men employed at the company's plants at Bayonne, N. J., and also the employees of the East Jersey R.R. & Terminal Co., a subsidiary.—V. 105, p. 1426, 1004.

Tobacco Products Corp., N. Y.—Initial Common Div.—

An initial quarterly dividend of \$1 50 per share has been declared on the 160,000 shares of common stock (no par value), payable Nov. 15 to holders of record Nov. 1.

Pres. George L. Storm has issued the following statement:

According to the report of the American Audit Co., independent public accountants, under date of Oct. 14 1917, the surplus of this corporation as of Aug. 31, this year, was \$3,165,469. Earnings for the first eight months of 1917 were \$1,400,445 against approximately \$809,108 for the corresponding period in 1916.

For Other Investment News, see page 1626.

Reports and Documents.

THE ATCHISON TOPEKA & SANTA FE RAILWAY COMPANY

TWENTY-SECOND ANNUAL REPORT—FOR THE FISCAL YEAR ENDING JUNE 30 1917.

Office of the Atchison Topeka & Santa Fe Railway System,
No. 5 Nassau Street, New York City.
September 11 1917.

To the Stockholders:

Your Directors submit the following report for the fiscal Year July 1 1916 to June 30 1917, inclusive.

The Lines comprising the Atchison System, the operations of which are embraced in the following statements, and the mileage in operation at the end of the year as compared with the previous year, are as follows:

	June 30 1917.	June 30 1916.
Atchison Topeka & Santa Fe Railway.....	8,639.53 miles	8,647.87 miles
Rio Grande El Paso & Santa Fe Railroad.....	20.22 "	20.22 "
Gulf Colorado & Santa Fe Railway.....	1,937.21 "	1,937.59 "
Panhandle & Santa Fe Railway.....	665.02 "	665.02 "
	<u>11,261.98 "</u>	<u>11,270.70 "</u>

The average mileage operated during the fiscal year ending June 30 1917 was 11,270.17 miles, being an increase of 23.37 miles as compared with the average mileage operated during the preceding fiscal year.

In addition to lines covered by this report there were completed on June 30 1917, 50.70 miles of additional line, all of which will be ready for operation in the near future.

The Company also controls, through ownership of stocks and bonds, other lines aggregating 161.33 miles, and is interested jointly with other companies in 601.87 miles.

For detailed statement of present mileage and of changes in mileage since last Annual Report, see pages 47 to 51 [Pamphlet Report].

INCOME STATEMENT.

The following is a summary of the transactions of the System for the years ending June 30 1916 and 1917:

	1916.	1917.
Operating Revenues.....	\$133,762,392 24	\$156,179,120 54
Operating Expenses.....	83,730,960 35	96,333,568 67
Net Operating Revenue.....	\$50,031,431 89	\$59,845,551 87
Taxes.....	6,210,366 13	9,870,634 29
Uncollectible Railway Revenues.....	41,072 53	23,242 60
Operating Income.....	\$43,779,993 23	\$49,951,674 98
Other Income.....	3,307,129 56	3,448,291 26
Gross Corporate Income.....	\$47,087,122 79	\$53,399,966 24
Rentals and Other Charges.....	1,977,654 79	2,078,048 92
	<u>\$45,109,468 00</u>	<u>\$51,321,917 32</u>
Interest on Bonds, including accrued interest on Adjustment Bonds.....	12,529,733 40	12,112,843 95
Net Corporate Income (representing amount available for dividends and surplus and for necessary but unproductive or only partially productive expenditures).....	<u>\$32,579,734 60</u>	<u>\$39,209,073 37</u>
From the net corporate income for the year the following sums have been deducted:		
Dividends on Preferred Stock—		
No. 37 (2½%) paid Feb. 1 1917.....	\$3,104,342 50	
No. 38 (2½%) paid Aug. 1 1917.....	3,104,342 50	
	<u>\$6,208,685 00</u>	
Dividends on Common Stock—		
No. 45 (1½%) paid Sept. 1 1916.....	\$3,223,177 50	
No. 46 (1½%) paid Dec. 1 1916.....	3,245,947 50	
No. 47 (1½%) paid Mar. 1 1917.....	3,281,737 50	
No. 48 (1½%) paid June 1 1917.....	3,290,767 50	
	<u>13,041,630 00</u>	
Appropriation for Fuel Reserve Fund.....	56,210 37	
California-Arizona Lines Bonds Sinking Fund.....	14,626 58	
S. F. & S. J. V. Railway Bonds Sinking Fund.....	12,710 00	
Income Appropriated for Investment in Physical Property:		
(a) For equipment (see comment following page).....	11,000,000 00	
(b) For other additions and betterments.....	8,875,211 42	
	<u>39,209,073 37</u>	
Surplus to credit of Profit and Loss June 30 1916.....	\$26,686,308 01	
Additions to Profit and Loss Account (Sundry Adjustments).....	466,805 89	
	<u>\$27,153,113 90</u>	
Surplus appropriated for Investment in Physical Property.....	164,570 25	
Surplus to credit of Profit and Loss June 30 1917.....	<u>\$26,988,543 65</u>	

Income from sources other than earnings from operation consisted of interest on cash in banks and sums collected as interest and dividends upon bonds and stocks of companies, the operations of which are not included in the System accounts.

During the fiscal year the sum of \$400,000 in cash was received as the net proceeds of sale of land embraced in the Santa Fe Pacific Land Grant, but this was directly written off the book value of Railroads, Franchises and Other Property and the transaction does not appear in the Income Account.

The appropriation of \$11,000,000 for investment in equipment is somewhat less than the anticipated cost of equipment which has already been ordered but the delivery of which has been delayed by the extraordinary conditions growing out of the war. These extraordinary conditions also result in this equipment costing nearly twice what would be its normal cost.

CAPITAL EXPENDITURES AND REDUCTION OF BOOK VALUES.

The total charges to Capital Account, as shown by the General Balance Sheet, at June 30 1917, aggregated \$742,631,861 89 as compared with \$715,477,622 71 at June 30 1916, an increase during the year of \$27,154,239 18, which analyzes as follows:

Construction and acquisition of new mileage, including the acquisition of bonds and stocks of other railway and terminal companies:		
Barton County & Santa Fe Ry.....	\$183,913 67	
California Arizona & Santa Fe Ry.....	3,202 15	
Eastern Ry. of New Mexico.....	369 86	
Grand Canyon Ry.....	4,621 78	
Minkler Southern Ry.....	651,324 48	
North Texas & Santa Fe Ry.....	765,634 62	
Oil Fields & Santa Fe Ry.....	23,071 34	
Oklahoma Central RR.....	26,387 44	
Osage County & Santa Fe Ry.....	43,289 83	
South Plains & Santa Fe Ry.....	923,088 88	
Verde Valley Ry.....	258,000 00	
	<u>\$2,882,904 05</u>	
Additions and Betterments—System Lines:		
Fixed Property.....	\$8,350,070 21	
Equipment.....	225,554 84	
Betterments to Equipment.....	215,825 53	
	<u>8,340,340 90</u>	
Fuel Lands and Other Properties:		
Fuel Lands.....	\$113,246 85	
Real Estate held for future use.....	263,850 83	
Tie and Timber Lands.....	25,089 23	
Miscellaneous Items.....	209,205 38	
	<u>192,981 53</u>	
Other Investments.....	16,288,852 06	
Total Charges.....	<u>\$27,705,078 54</u>	
Reduction of Book Values:		
Beaumont Wharf & Terminal Co.....	\$36,000 00	
Sunset Ry.....	19,000 00	
Santa Fe Pacific RR.—Land Sales.....	400,000 00	
Western Oklahoma Ry.—Land Sales.....	1,624 00	
Ice Plant, Belen.....	11,319 61	
Ice Plant, San Bernardino.....	63,503 85	
Santa Barbara Tie & Pole Co.....	19,391 90	
	<u>550,839 36</u>	
Net Increase in Capital Account during the year.....	<u>*\$27,154,239 18</u>	

Credits in black face type.

* Of this amount the sum of \$14,773,600 represents temporary investments in short-term notes and other quickly convertible securities, which sum should be deducted in order to make satisfactory comparison with preceding years. The "Net Increase in Capital Account during the year" after deducting the sum of these temporary investments was \$12,380,639 18.

For details of Additions and Betterments by accounts see statement on page 38 [Pamphlet Report].

The credit item of \$225,554 84 for "Equipment" analyzes as follows:

Equipment retired during the year:	
26 Locomotives.....	\$395,926 81
1,256 Freight-Train Cars.....	652,678 20
36 Passenger-Train Cars.....	188,996 62
257 Miscellaneous Work Cars.....	59,214 47
Miscellaneous Adjustments.....	25,026 37
	<u>\$1,321,842 47</u>
Less—Equipment added as follows:	
11 Locomotives.....	\$287,622 66
427 Freight-Train Cars.....	436,824 50
3 Passenger-Train Cars.....	6,220 29
Motor Equipment of Cars.....	1,272 32
1 Car Float.....	47,722 57
583 Miscellaneous Work Cars.....	315,935 29
1 Automobile.....	690 00
	<u>\$1,096,287 63</u>
	<u>\$225,554 84</u>

The 1,256 freight-train cars reported as retired and the 583 miscellaneous work cars added, include 549 cars, which, being permanently assigned to work service, were relettered in work service equipment series during the year and transferred from freight equipment to work service equipment at their depreciated value at time of relettering.

In addition to the equipment reported retired as above, 7 freight-train cars and 3 miscellaneous work cars leased from the Oklahoma Central Railroad Company, were also retired during the year and liability therefor included in Other Unadjusted Credits in the General Balance Sheet.

MAINTENANCE OF EQUIPMENT.

The following statement shows the sums charged to Operating Expenses for Maintenance of Equipment during each year since July 1 1896:

Year ending June 30—	Average Operated Mileage.	Total Expenditure.	Expenditure per Mile.
1897.....	6,443.81	\$3,443,884 82	\$534 45
1898.....	6,936.02	4,659,277 99	671 75
1899.....	7,032.62	4,810,795 64	684 07
1900.....	7,341.34	5,267,832 40	717 56
1901.....	7,807.31	6,257,456 57	801 49
1902.....	7,855.38	7,864,951 25	1,001 22
1903.....	7,965.13	8,510,543 09	1,068 48
1904.....	8,179.59	10,006,135 41	1,223 31
1905.....	8,305.40	10,914,864 47	1,314 19
1906.....	8,433.99	10,720,040 43	1,271 05
1907.....	9,273.15	11,779,846 64	1,270 32
1908.....	9,415.01	14,246,621 44	1,513 18
1909.....	9,794.86	13,903,897 37	1,419 51
1910.....	9,916.33	15,560,047 44	1,560 13
1911.....	10,350.13	16,686,145 45	1,612 17
1912.....	10,627.92	16,521,231 41	1,554 51
1913.....	10,750.31	19,415,224 63	1,806 02
1914.....	10,908.52	19,100,724 51	1,750 99
1915.....	11,114.52	19,764,535 40	1,778 26
1916.....	11,246.80	20,514,960 18	1,824 07
1917.....	11,270.17	25,273,168 92	2,242 48

The heavy increase of 1917 over 1916 is due largely to increases in wages and in cost of materials.

For the year ending June 30 1917, maintenance charges, including renewals and depreciation, averaged as follows:

Per locomotive.....	\$6,542.04
Per locomotive mile.....	.2035
Per freight car.....	145.28
Per freight car mile.....	.0104
Per passenger car, including mail and express.....	1,621.48
Per passenger car mile.....	.0167

The foregoing average maintenance charges include a proportion of unlocated expenditures for Maintenance of Equipment charged to Superintendence, Shop Machinery, Injuries to Persons, Insurance, Stationery and Printing, Other Expenses, and Maintaining Joint Equipment at Terminals. Refrigerator cars are not taken into consideration in arriving at freight car averages, such cars being operated by The Santa Fe Refrigerator Despatch Company, which bears the expense of their maintenance.

A statement of the locomotives in service and of their tractive power will be found on page 46. [Pamphlet Report].

MAINTENANCE OF WAY AND STRUCTURES.

The following statement shows the sums charged to Operating Expenses for Maintenance of Way and Structures during each year since July 1 1896:

Year ending June 30—	Average Operated Mileage.	Total Expenditure.	Expenditure per Mile.
1897.....	6,443.81	\$6,282,923 15	\$975 03
1898.....	6,936.02	8,281,397 88	1,193 97
1899.....	7,032.62	7,672,107 62	1,090 93
1900.....	7,341.34	6,354,372 10	865 58
1901.....	7,807.31	6,433,840 36	824 08
1902.....	7,855.38	6,141,466 39	781 82
1903.....	7,965.13	9,304,892 04	1,168 20
1904.....	8,179.59	9,170,234 07	1,121 11
1905.....	8,305.40	11,385,418 33	1,370 85
1906.....	8,433.99	12,475,407 97	1,479 18
1907.....	9,273.15	15,286,062 66	1,648 42
1908.....	9,415.01	14,120,828 02	1,499 82
1909.....	9,794.86	12,884,406 81	1,315 43
1910.....	9,916.33	17,807,136 20	1,795 74
1911.....	10,350.13	16,059,786 90	1,551 65
1912.....	10,627.92	16,076,833 75	1,512 70
1913.....	10,750.31	18,054,413 03	1,679 43
1914.....	10,908.52	15,308,780 25	1,403 38
1915.....	11,114.52	16,514,467 89	1,485 85
1916.....	11,246.80	19,518,635 03	1,735 48
1917.....	11,270.17	19,119,336 16	1,696 45

In 1916 Maintenance of Way and Structures included over \$1,500,000 on account of the storm at Galveston and of the floods in California and Arizona. If this abnormal expenditure were excluded from 1916, the year 1917 would show an increase over 1916 of more than \$1,100,000, due principally to increases in wages and in cost of materials.

COMPARISON OF OPERATING RESULTS.

The following is a statement of revenues and expenses of the System for the fiscal year ending June 30 1917, in comparison with the previous year:

	Year ending June 30 1917.	Year ending June 30 1916.	Increase (+) or Decrease (—).
Operating Revenues:			
Freight.....	111,809,085 10	91,432,428 97	+20,376,656 13
Passenger.....	32,770,088 51	31,568,600 55	+1,201,487 96
Mail, express and miscellaneous.....	11,599,946 93	10,761,362 72	+838,584 21
Total operating revenues	156,179,120 54	133,762,392 24	+22,416,728 30
Operating Expenses:			
Maintenance of way and structures.....	19,119,336 16	19,518,635 03	—399,298 87
Maintenance of equipment.....	25,273,168 92	20,514,960 18	+4,758,208 74
Traffic.....	2,780,823 48	2,755,735 84	+25,087 64
Transportation—Rail line.....	45,910,504 94	38,281,053 78	+7,629,451 16
Miscellaneous operations.....	184,248 47	—	+184,248 47
General.....	3,494,122 42	2,904,040 13	+590,082 29
Transportation for investment—Cr.....	428,635 72	243,464 61	+185,171 11
Total operating expenses	96,333,568 67	83,730,960 35	+12,602,608 32
Net operating revenue.....	59,845,551 87	50,031,431 89	+9,814,119 98
Ratio of operating expenses to operating revenues.....	61.68	62.60	— .92
Credits in black-face.			

The following is a consolidated statement of the business of the System for each fiscal year during the period since January 1 1896:

Fiscal Year Ending June 30—	Average Miles Operated.	Gross Revenues, Including Income from Other Sources.	Expenses, Including Taxes, Rentals and Other Charges.	Interest on Bonds.	Net Corporate Income.
1897 (18 mos.).....	6,443.81	\$44,532,628	\$36,038,455	\$8,440,387	\$53,785
1898.....	6,936.02	39,396,126	30,513,553	7,045,988	1,836,584
1899.....	7,032.62	40,762,933	29,332,964	7,241,972	4,187,997
1900.....	7,341.34	46,498,899	29,414,427	7,345,166	9,739,304
1901.....	7,807.31	54,807,379	34,502,039	7,830,810	12,474,529
1902.....	7,855.38	60,275,944	36,272,432	8,438,985	15,564,526
1903.....	7,965.13	63,668,390	40,635,576	9,134,485	13,898,329
1904.....	8,179.59	69,419,975	44,641,434	9,418,770	15,359,771
1905.....	8,305.40	69,189,739	47,835,883	9,611,510	11,742,346
1906.....	8,433.99	79,390,749	51,035,355	10,622,184	17,733,209
1907.....	9,273.15	94,436,574	61,779,916	11,487,934	21,168,723
1908.....	9,415.01	91,289,770	65,031,582	12,579,301	13,678,886
1909.....	9,794.86	95,424,091	61,458,019	13,548,081	20,417,990
1910.....	9,916.33	107,543,250	75,133,314	11,984,151	20,425,784
1911.....	10,350.13	109,772,481	75,689,094	12,712,319	21,371,067
1912.....	10,627.92	110,322,328	77,001,227	13,660,859	19,660,241
1913.....	10,750.31	119,411,875	83,432,816	13,825,325	22,153,734
1914.....	10,908.52	113,284,122	80,213,746	12,886,412	20,183,964
1915.....	11,114.52	120,662,738	83,746,129	12,785,747	24,130,862
1916.....	11,246.80	137,069,521	91,960,054	12,529,733	32,579,735
1917.....	11,270.17	159,627,411	108,305,404	12,112,843	39,209,073

The following statement shows the gross operating revenues of the System (exclusive of income from other sources) per mile of road operated for each fiscal year since July 1 1896:

Year ending June 30—	Gross Operating Revenues.	Average per Mile of Road.
1897.....	\$30,621,230 10	\$4,752 04
1898.....	39,214,099 24	5,653 69
1899.....	40,513,498 63	5,760 80
1900.....	46,232,078 23	6,297 49
1901.....	54,474,822 61	6,977 41
1902.....	59,135,085 53	7,527 97
1903.....	62,350,397 28	7,827 92
1904.....	68,171,200 18	8,334 31
1905.....	68,375,837 25	8,232 70
1906.....	78,044,347 25	9,253 55
1907.....	93,683,406 91	10,102 65
1908.....	90,617,796 38	9,624 82
1909.....	94,265,716 87	9,624 00
1910.....	104,993,104 67	10,587 91
1911.....	107,565,115 62	10,392 63
1912.....	107,752,359 91	10,138 61
1913.....	116,896,251 98	10,873 75
1914.....	111,109,769 86	10,185 60
1915.....	117,665,587 46	10,586 65
1916.....	133,762,392 24	11,893 37
1917.....	156,179,120 54	13,857 74

The following statement shows the development of the freight and passenger revenues of the System since July 1 1896:

Year ending June 30—	Freight Revenue.	Passenger Revenue.
1897.....	\$22,067,686 77	\$5,574,288 31
1898.....	28,588,716 76	7,347,361 59
1899.....	29,492,586 65	8,126,141 85
1900.....	33,729,332 83	9,334,661 57
1901.....	39,052,567 43	11,678,017 25
1902.....	41,815,607 05	13,439,384 57
1903.....	44,622,438 71	13,469,985 78
1904.....	47,762,653 23	15,433,773 63
1905.....	47,408,982 36	16,045,380 27
1906.....	54,598,902 82	18,013,988 56
1907.....	65,500,309 42	21,171,629 08
1908.....	61,848,638 51	21,643,427 49
1909.....	64,212,638 10	22,734,505 32
1910.....	71,194,055 59	25,437,181 98
1911.....	71,787,200 89	27,204,867 66
1912.....	71,529,574 67	27,453,525 41
1913.....	78,190,923 18	29,425,922 44
1914.....	73,638,388 01	28,497,232 68
1915.....	80,504,393 33	27,823,063 87
1916.....	91,432,428 97	31,568,600 55
1917.....	111,809,085 10	32,770,088 51

PROPERTY INVESTMENT AND RATE OF RETURN.

The development of the Company's business and of its efficiency have been due principally to the very large expenditures (over \$331,000,000) which have been made in the extension and improvement of the property since January 1 1896. In order to make such expenditures, your Company has raised since 1896 over \$225,000,000 of "new money" by the sale of capital stock and of bonds which are now outstanding or which (in the case of many of the Convertible Bonds sold) are represented by common stock now outstanding.

The following statement shows, for each year, the amount of investment, the amount of net income applicable to bond interest, dividends, improvement of property and strengthening of credit, and the rate of return which such net income represents on the amount of the investment.

Year ending June 30.	Property Investment.*	Income Applicable to Bond Interest, Dividends, Improvement of Property and Strengthening of Credit.†	Per Cent of Property Investment.
1896 (6 months).....	\$373,260,004 67	\$2,432,870 06	.65
1897.....	359,118,442 87	6,070,364 45	1.56
1898.....	394,170,563 40	8,871,947 26	2.25
1899.....	402,388,222 21	11,409,315 36	2.84
1900.....	409,670,087 91	17,064,850 94	4.17
1901.....	423,734,716 52	21,196,714 38	5.00
1902.....	445,314,062 19	23,921,018 14	5.37
1903.....	463,230,180 22	23,032,814 51	4.97
1904.....	479,324,339 26	24,778,541 31	5.17
1905.....	485,497,374 42	21,353,856 15	4.40
1906.....	515,557,913 70	28,355,393 34	5.50
1907.....	550,693,087 37	32,724,274 07	5.94
1908.....	577,433,073 23	25,633,510 34	4.44
1909.....	580,297,115 78	33,523,437 28	5.78
1910.....	625,401,211 54	32,387,712 39	5.18
1911.....	658,156,763 91	34,102,511 86	5.18
1912.....	673,465,876 49	33,321,100 75	4.95
1913.....	695,730,983 22	36,078,744 55	5.19
1914.....	709,304,446 55	33,070,376 92	4.66
1915.....	720,792,460 35	36,928,030 11	5.12
1916.....	732,403,747 71	45,312,106 50	6.19
1917.....	746,839,609 72	51,788,723 21	6.93
Annual Average.....	\$547,808,376 51	\$27,132,940 18	4.95

* The amounts shown above as "Property Investment" include sums invested in material and supplies. The amount for year 1917 excludes temporary investments in short-term notes and other quickly convertible securities referred to in note on page 11 [pamphlet report].

† The "Income" shown above is determined after allowing for adjustments made through profit and loss.

CAPITAL STOCK AND FUNDED DEBT.

The outstanding Capital Stock (deducting stock in treasury) on June 30 1916, consisted of:

Common.....	\$214,312,500 00
Preferred.....	124,173,700 00
Total.....	\$338,486,200 00
Issued during the year:	
Common Stock issued in exchange for Convertible Bonds retired.....	5,336,000 00
Capital Stock outstanding June 30 1917:	
Common.....	\$219,648,500 00
Preferred.....	124,173,700 00
Total.....	\$343,822,200 00

The number of holders of the Company's capital stock on June 30 1917, and the changes in number for the year were as follows:

	Number of Stockholders.	Increase or Decrease for the Year.
Preferred	17,098	Decrease 28
Common	26,750	Increase 257
The outstanding Funded Debt of the System (deducting bonds in the treasury) amounted on June 30 1916 to		\$301,552,353 50

The following changes in the Funded Debt occurred during the year:

Obligations issued:		
California-Arizona Lines first and refunding mortgage 4½% bonds		\$52,545 60
Obligations Purchased or Retired:		
S. F. & S. J. V. Ry. Co. First Mortgage 5% Bonds	\$11,000 00	
Convertible 4% Bonds	5,336,000 00	
Convertible 5% Bonds:		
Retired	6,883,000 00	
Matured unpaid transferred to Current Liabilities	566,000 00	
		12,796,000 00

Decrease of Funded Debt

\$12,743,454 40

Total System Funded Debt outstanding June 30 1917

\$288,808,899 10

Interest charges for year ending June 30 1918, will be approximately \$11,742,000 or an average monthly charge of about \$978,500. In making this approximation, exchanges of Convertible Bonds for Common Stock made since June 30 1917, aggregating \$481,000, are considered.

TREASURY.

Neither this Company nor any of its auxiliaries has any notes or bills outstanding.

The Company held in its treasury on June 30 1917, \$39,047,787 80 cash, and also had available \$5,281,000 General Mortgage Bonds, including bonds not yet certified by the Trustee. The Company also had in the treasury unpledged a large amount of stocks and bonds of other companies, of which part are carried in the balance sheet as Investments and part are included under Railroads, Franchises and Other Property. In addition, the Company and its affiliated companies have invested \$14,773,600 in short term notes and other quickly convertible securities.

FUEL RESERVE FUND.

The fund has been increased during the year by appropriations of income, as follows:

Amount to credit of Fund June 30 1916	\$1,888,316 42
Added during the year	56,210 37
In Fund June 30 1917	\$1,944,526 79

BARTON COUNTY AND SANTA FE RAILWAY.

A company has been organized to construct this line, extending northwest from Holyrood, Ellsworth County, Kansas, a distance of about 32 miles. Construction is in progress and it is expected the line will be completed by the close of the present calendar year. The new line will serve a good agricultural section and should be a valuable feeder to the System.

MINKLER SOUTHERN RAILWAY.

The completion of the extension of this line, from Lindsay to Porterville, California, referred to in the last annual report has been somewhat delayed. However, 10.8 miles had been completed at June 30 1917, and the remainder of the extension to Porterville will be ready for operation in the near future. A further extension of this line from Porterville to Ducor, a distance of approximately 13 miles, is under construction and will, it is expected, be completed and ready for operation not later than January 1 next. Arrangements have been made by a long term agreement with the Southern Pacific Company for the joint use of that company's line from Ducor to Oil Junction, a distance of 39.5 miles, from which latter point a connection, 3.5 miles in length, will be built to the Company's main line near Bakersfield, thus giving the Company a direct easterly outlet for the traffic originating in the Minkler Southern territory.

NORTH TEXAS AND SANTA FE RAILWAY.

This line is being constructed from the main line at or near Shattuck, Ellis County, Oklahoma, westward into Hansford County, Texas, a distance of about 82 miles. Track laying is under way and, if labor conditions permit, the line should be completed and in operation before the end of the current year. The district served by this line is good agricultural land, already fairly well settled and under cultivation, and badly needs transportation facilities.

OIL CITY BRANCH.

Negotiations with the Southern Pacific Company looking to the purchase of an undivided one-half interest in this line, extending from Oil Junction to Ainroff, Kern County, California, a distance of 6.35 miles, with a branch of 2.47 miles in length, extending from said line at Treadwell Junction to the station of Porque, Kern County, have been completed during the year, and transfer of such half interest to your Company only awaits the formal approval of the Railroad Commission of the State of California. After such approval is given, this line will be operated for the joint account of the two companies and will give your Company direct access over its own rails to the Kern River oil field. The proposed connection between Oil Junction and Bakersfield, referred to under the heading of "Minkler Southern Railway" will also give the Company a direct connection with the Oil City Branch.

OSAGE COUNTY AND SANTA FE RAILWAY.

This Company has been organized to construct a line from Owen, Washington County, Oklahoma, to a connection with the Eastern Oklahoma Division of your main line near Fairfax, a distance of about 62 miles. The line will traverse an important section of the mid-continent oil fields, and moreover will form an important cut-off for business between Kansas City and Oklahoma-Texas points. Right of way has been arranged for and construction is about to commence, but the line will not be ready for operation until the latter part of next year.

SOUTH PLAINS AND SANTA FE RAILWAY.

This line, formerly known as Crosbyton-South Plains Railroad (name changed during the year) extends from Lubbock, Texas, to Crosbyton, Texas, a distance of 38 miles, with an extension under construction running southwest from Lubbock for a distance of about 65 miles, of which 39.9 miles were completed at June 30 1917. It is expected the remainder of the line will be completed and ready for operation by January 1 next.

MATERIAL AND SUPPLIES.

The balance sheet shows an increase of \$2,055,222 83, in the value of material and supplies on hand at June 30 1917, as compared with the balance at the close of the previous year. This increase is due to a somewhat larger stock of material and supplies, rather than the use in its valuation of the high prices now prevailing, the material and supplies having been inventoried at normal prices.

TAXES.

Federal, State and local tax accruals for the year ending June 30 1917 aggregate the large total of \$9,870,634 29, and show an increase over the preceding year of \$3,660,268 16.

For the first time Federal taxes have become a matter of serious concern. Indeed, the Company's tax situation is revolutionized by the new system of Federal taxation recently adopted and which applies to all of the calendar year 1917. The change wrought is not adequately indicated by the increase in taxes for the fiscal year ending June 30 1917, because that year contains only six months of the calendar year 1917 to which the new Federal taxes apply.

It is impossible to forecast with accuracy the taxes for the calendar year 1917, but it is by no means improbable that they will be say \$12,000,000, or about twice the annual average of taxes for recent years, and possibly more.

The natural effect of the war with its heavy expenditures is to stimulate expenditure on the part of the States and local governing bodies, much of which it is greatly feared will prove to be misdirected and unproductive. In some quarters it is already apparent that there is grave danger that the conduct of State and local affairs will become decidedly more wasteful and inefficient at the very time the need is greatest for making the best possible use of our resources of labor and materials.

Your officials are actively co-operating in efforts that are being made to promote economy and efficiency.

GENERAL.

Your Directors fully recognize that the time is inopportune for the construction of new lines, but the foregoing had been in all cases planned, in some cases definitely promised and in other cases placed under construction before either the great advance in prices or the declaration of war, and it seemed advisable to proceed in spite of adverse conditions. Completion will naturally be somewhat retarded, but it is hoped that all will be completed before the close of the calendar year 1918.

Contrary to our expectations all of the abnormal reasons cited a year ago as accounting for the Company's large revenues last year have been accentuated in the last twelve months. Not only is the European war still in active progress, but our own country is now participating in it and is spending enormous sums for supplies and for transportation. The Pacific Coast is still without shipping via the Panama Canal. The metal market has been unprecedentedly active in all its branches, and this has largely increased our traffic, especially in copper, zinc and lead and the raw materials entering into their production. The oil tonnage on our lines still increases. Even our passenger traffic, which we believed had reached its maximum with the two great expositions on the Pacific Coast, has again shown an increase of over a million dollars.

Owing to high prices and lack of labor, it has not been possible to add materially to equipment, and the result has been that in the effort to handle this enormous business every nerve has been strained to the utmost, and, even with all that could be done, the results have not always been what our patrons have been taught to expect. Very much against the will of your Directors and officers it has been found absolutely necessary to place orders for nearly four thousand cars of various types and for thirty engines, all of which were to have been delivered during the calendar year and some of them during the fiscal year, but the needs and demands of the Government have taken precedence, and we are still struggling along as best we may. The prices we have contracted to pay for this equipment, when received, are almost double those of two years ago.

On all sides the Company has been confronted with the necessity for increasing wages and salaries. The payroll

for the last six months of the year was nearly 33 per cent in excess of the payroll for the corresponding period two years before. This was partly due to the employment of increased forces, but after making allowance for the increase in forces it is believed that current wages and salaries are on an average about 20 per cent over the wages and salaries in effect two years ago.

In common with all other carriers in the country, your company sought for relief in increasing its rates, but was denied, the denial being based on our large earnings. It was unfortunate that when the case was decided the large earnings were plainly visible, while the greatly enhanced expense had not yet come clearly into view; and this same condition prevailed up to the end of the fiscal year for which this report is made. But the expenses are now beginning to tell on all the carriers, and somewhat later conditions may call for the renewal of our application.

Relations with the public, our patrons, continue good. In common with all other carriers, we have given assurances to the Government that its business of all kinds is to be given preferential movement, but we hope to be able to carry out the promise without serious inconvenience to

those who desire to travel or to ship their customary freight. It may be, however, that we shall have to ask for a little patience on the part of these latter.

The faithful and efficient services of the officers and employees of the Company are again acknowledged with pleasure by your Directors.

EDWARD P. RIPLEY, *President.*
WALKER D. HINES, *Chairman.*

GENERAL BALANCE SHEET—EXHIBIT A.—RAILROADS, FRANCHISES AND OTHER PROPERTY.

Amount June 30 1916, as published in Annual Report.....	\$680,438,153 92
Expenditures for Additions and Betterments, Construction and Other Capital Purposes during fiscal year ending June 30 1916.....	6,188,780 02
Total.....	\$686,626,933 94
Transferred from Exhibit C:	
C. A. & S. F. Ry.—Oakland Wharf Property.....	\$1,229,913 57
Transferred from "Other Investments":	
Oklahoma Central RR.....	1,067,492 21
	2,297,405 78
	\$688,924,339 72

GENERAL BALANCE SHEET—EXHIBIT B.

EXPENDITURES FOR ADDITIONS AND BETTERMENTS, CONSTRUCTION AND OTHER CAPITAL PURPOSES DURING FISCAL YEAR ENDING JUNE 30 1917.

	Additions and Betterments.	Construction.	Other Expenditures.	Total.
Atchison Topeka & Santa Fe Ry.....	\$3,783,069 59		\$343,009 86	\$3,440,059 73
Atchison Topeka & Santa Fe Ry. (Coast Lines).....	2,509,071 37			2,509,071 37
Barton County & Santa Fe Ry.....		\$183,913 67		183,913 67
Beaumont Wharf & Terminal Co.....			36,000 00	36,000 00
California Arizona & Santa Fe Ry.....	191,868 92		3,202 15	195,071 07
Cane Belt RR.....	53,407 42			53,407 42
Concho San Saba & Llano Valley RR.....	1,766 99			1,766 99
Dodge City & Cimarron Valley Ry.....	7,522 01			7,522 01
Eastern Ry. of New Mexico System.....	327,874 34	369 86		328,244 20
Garden City Gulf & Northern RR.....	14,149 05			14,149 05
Gulf & Interstate Ry. of Texas.....	48,188 24			48,188 24
Santa Fe Dock & Channel Co.....	746 66			746 66
Gulf Beaumont & Great Northern Ry.....	54,788 87			54,788 87
Gulf Beaumont & Kansas City Ry.....	48,071 00			48,071 00
Gulf Colorado & Santa Fe Ry.....	743,058 91			743,058 91
Jasper & Eastern Ry.....	23,656 70			23,656 70
Laton & Western RR.....	582 40			582 40
Minkler Southern Ry.....	4,677 90	651,324 48		656,002 38
North Texas & Santa Fe Ry.....		765,634 62		765,634 62
Oil Fields & Santa Fe Ry.....	36,958 16	23,071 34		60,029 50
Oklahoma Central RR.....			26,387 44	26,387 44
Osage County & Santa Fe Ry.....		43,289 83		43,289 83
Panhandle & Santa Fe Ry.....	41,112 91			41,112 91
Rio Grande El Paso & Santa Fe RR.....	50,257 26			50,257 26
Rocky Mountain & Santa Fe Ry.....	542 81			542 81
Santa Fe Land Improvement Co.....	388,069 30			388,069 30
South Plains & Santa Fe Ry.....	23,026 62	923,088 88		900,063 26
Texas & Gulf Ry.....	16,124 11			16,124 11
Verde Valley Ry.....	18,492 77		258,000 00	276,492 77
Western Arizona Ry.....	394 45			394 45
Western Oklahoma Ry.....		1,624 00		1,624 00
	\$8,340,340 90	\$2,589,068 68	\$91,420 27	\$10,837,989 31
Deductions: Land Sales.....				400,000 00
				\$10,437,989 31

Credits in black face figures.

GENERAL BALANCE SHEET—EXHIBIT C—INVESTMENTS—NEW ACQUISITIONS.

Expenditures to June 30 1916, as shown in Annual Report.....	\$13,214,562 85
Transferred to Exhibit A:	
Oakland Wharf Property.....	1,229,913 37
	\$11,984,649 28
Expenditures during the Fiscal Year ending June 30 1917:	
Cherokee & Pittsburg Coal & Mining Co.....	\$113,246 85
Grand Canyon Ry.....	4,621 78
Rails and Fastenings leased to various parties.....	133,804 48
Real Estate held for future use.....	263,850 83
Tie and Timber Lands.....	25,089 23
	\$540,613 17
Deductions:	
Ice Plant, Belen.....	\$11,319 61
Ice Plant, San Bernardino.....	63,503 85
Santa Barbara Tie & Pole Co.....	19,391 90
Sunset Ry.....	19,000 00
	\$113,215 36
	\$427,397 81
	\$12,412,047 09

GENERAL BALANCE SHEET—EXHIBIT D—CAPITAL STOCK JUNE 30 1917.

	Issued.*	In Treasury.	Outstanding.
Common.....	\$219,693,000	\$44,500	\$219,648,500
Preferred.....	124,199,500	25,800	124,173,700
	\$343,892,500	\$70,300	\$343,822,200

*Not including \$4,800,000 Preferred Stock placed in special trust for certain purposes by the Reorganization Committee and not yet used nor \$2,486,500 Preferred Stock in custody of the Union Trust Company of New York as Trustee but held subject to the Company's order.

GENERAL BALANCE SHEET—EXHIBIT E.—FUNDED DEBT JUNE 30 1917.

Class of Bond.	Int. Rate.	Issued.	In Treasury.	Outstanding.
General Mortgage—				
Due October 1 1995.....	4%	\$152,562,500	\$1,828,000	\$150,634,500
Adjustment Mortgage—				
Due July 1 1995.....	4%	51,728,000	382,000	51,346,000
Convertible—Due June 1 1955.....	4%	8,984,000		8,984,000
Convertible—Due June 1 1960.....	4%	12,287,000		12,287,000
Transcontinental Short Line—				
Due July 1 1958.....	4%	22,545,000		22,545,000
California-Arizona Lines—				
Due March 1 1962.....	4½%	18,516,178	14,599	18,501,579
Eastern Oklahoma Division—				
Due March 1 1928.....	4%	9,603,000		9,603,000
Rocky Mountain Division—				
Due January 1 1965.....	4%	3,000,000		3,000,000
San Francisco & San Joaquin Valley Ry.—				
Due October 1 1940.....	5%	5,989,000		5,989,000
Santa Fe Pres. & Phoe. Ry.—				
Due September 1 1942.....	5%	4,940,000		4,940,000
Chicago Santa Fe & Cal. Ry.—				
Due January 1 1937.....	5%	560,000		560,000
Hutchinson & Southern Ry.—				
Due January 1 1928.....	5%	192,000		192,000
Prescott & Eastern RR.—				
Due April 1 1928.....	5%	224,000		224,000
Miscellaneous Bonds.....		2,820		2,820
		\$291,133,499	\$2,324,599	\$288,808,899

For comparative income account, balance sheet, &c., see company's statement under "Annual Reports" on a previous page.

Trenton Potteries Co.—Extra Dividend.—

An extra dividend of ½ of 1% has been declared on the pref. stock in addition to the usual quarterly 1½%, both payable Oct. 25 to holders of record Oct. 18. A like amount was paid in April and July last.—V. 105, p. 395.

Troy (N. Y.) Gas Co.—Stock Increase.—

This company has increased its authorized capital stock from \$3,000,000 to \$5,000,000. On Dec. 31 1916 the amount outstanding was \$2,500,000, par \$100; dividend rate in 1916 8% p. a. or 2% Q-M. Funded debt \$900,000, viz: \$400,000 1st M. 5s, due Nov. 1 1939 and \$500,000 2d M. 6s due Feb. 1 1923. See V. 99, p. 1683.—V. 102, p. 890.

Union Bag & Paper Corporation.—Extra Dividend.—

An extra dividend of 2%, payable in Liberty Loan bonds, has been declared on the stock, payable Nov. 15 to holders of record Nov. 5.—V. 105, p. 826.

Westinghouse Electric & Mfg. Co.—Order Denied.—

In response to our inquiry, the company denies the press report that it has received an order for 3,500 aeroplane engines, the reported cost having been given as \$17,500,000.—V. 105, p. 1528, 1426.

United States Steel Corporation.—Steel Prices.—

See editorial columns in this issue.—V. 105, p. 1528, 1319.

White Star Refining Co. of Detroit, Mich.—Equipment

Trust Notes Offered.—The Union Trust Co. of Detroit, Mich., is offering this company's \$125,000 Equipment Trust 6% gold notes, dated July 1 1917, due serially \$25,000 semi-ann. J. & J. 1918 to 1920, subject to prior payment at par on any int. date on three months' notice. Int. J. & J. at Union Trust Co., Detroit, Mich., trustee. Denom. of \$500 and \$1,000. A circular shows:

The equipment purchased by these notes consists of 50 10,000-gallon all-steel tank cars of standard type and equipment costing \$162,500. The title to all the cars is vested in the trustee until all the notes are paid. The refining company shall keep the equipment insured in the name of the trust company. The company is organized in Michigan and as lubricating engineers is conducting a general oil-distributing business of a very profitable nature. The company's statement, covering the years 1910 to June 1 1917 incl., shows substantial and largely increased net earnings.—V. 105, p. 1426.

The Commercial Times.

COMMERCIAL EPITOME

Friday Night, Oct. 19 1917.

Caution is the word of order almost everywhere, especially in buying ahead, and yet business as a rule among wholesalers and jobbers is good. The great manufacturing industries are still active. They would be more so if they could get adequate supplies of fuel and labor. In the Northwest, the Central West and the South, favored by high prices for grain and cotton, trade is especially brisk. Cotton is at the highest prices seen since the Civil War. The recent advance has been more than \$40 a bale. The winter wheat acreage will be greatly increased and seeding has been active over a great expanse of country. Threshing is more general, both in the winter and spring wheat sections. Best of all, for the moment at least, prospects point to a much larger movement of the wheat crop in the near future. Farmers have apparently become satisfied that they will not coerce the Government into naming a higher price. Recently too there has been some decline in food prices. This applies to butter, eggs, poultry, cattle, calves, sheep lambs and hogs. Business in pig iron is more active and tentative prices have been adopted for the time being. It is hoped that steel business will be benefited ere long by the fixing of differentials in this past week. The recent fixing of prices in this country has tended to benefit trade by a removal of uncertainty.

But on the other hand, there are undoubtedly some drawbacks. The scarcity of fuel and labor is one of them. Strikes in the Pacific Northwest have put a check on lumbering and shipbuilding. The flour output at Minneapolis is only 60% of the capacity under the direction of the Government. Retail trade in this country too is rather more quiet, owing largely to unsettled weather, enlistments in the army, the high cost of living and the great activity all over the country in pushing the Liberty Loan. The scarcity of coal in different parts of the country is causing more or less uneasiness, not only among great business establishments but also among householders. There is some fear also of a scarcity of sugar and milk in this city. The Food Administration urges the American people to economize in the use of sugar. Some food prices are higher than ever before at this time of the year. This includes potatoes in some parts of the country. One sign of the times is the dullness of the automobile trade so far as pleasure cars are concerned, although there is a brisk trade in auto trucks.

LARD higher; prime Western, 24.37@24.42c.; refined to the Continent, 26c.; South America, 26.25c.; Brazil, 27.25c. Futures have advanced, partly on the buying of November by brokers who generally act for packers. Shorts have also been buying. Quite a large short interest was evidently created on the recent break. A fire at Kansas City Stockyards caused a loss, it is estimated, of \$1,000,000 and a destruction of 7,000 to 8,000 cattle and 3,000 hogs. To-day prices were higher. Shipping houses bought nearby deliveries. Prices are higher for the week.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery...	22.77	23.35	23.80	23.65	23.80	24.10
January delivery...	21.05	21.50	21.70	21.67	23.72	21.65

PORK lower; mess, \$48@48.50; clear, \$48@52; beef products higher; mess, \$31@32; extra India mess, \$50@52. Cut meats firm; pickled hams, 10 to 20 lbs., 25½@27c.; pickled bellies, 33@35c. Food Administrator Hoover, in a telegram to the State Administrator of California, declares the statement that his department desired to see the price of hogs put down to \$10 is unfounded. He states that he hoped to see prices prevail such as will permit domestic and foreign consumers to buy and at the same time will encourage the production of meat on farms. Liverpool reported the market there dull and slightly easier as arrivals are increasing and consumption is lighter. American clearances are increasing and export offerings are larger. Butter, creamery, 43¼@44½c. Cheese, State, 24½c. Eggs, fresh, 45@46c.

COFFEE quiet; No. 7 Rio, 8¼c.; No. 4 Santos, 9¾@9¾c.; fair to good Cucuta, 10¼@10½c. Futures have declined somewhat with trading light, stocks large and less peace talk. The total at Brazil and in sight is close to 2,600,000 bags or fully half a million bags more than a year ago. Prices seem to be weakening in Brazil. Much of the selling here has been by houses with Brazil connections. Considerable switching has been done from December to distant months, but aside from this trading has been light. The trade at times has sold March rather freely. To-day prices were unchanged to 5 points higher. There is a decline for the week. Prices were as follows:

October	cts 7.00@7.02	February	cts 7.24@7.26	June	cts 7.57@7.59
November	7.05@7.07	March	7.31@7.33	July	7.66@7.68
December	7.11@7.13	April	7.40@7.42	Aug.	7.74@7.76
January	7.17@7.19	May	7.49@7.51	September	7.82@7.84

SUGAR lower for granulated, firm for spots; centrifugal, 96-degrees test, 6.90c.; molasses, 89-degrees test, 6.02c.; granulated 8.35c. Some business has been done in raw at 5½c. cost and freight. Much of the time there has been a deadlock. Cuban holders have quietly sold more or less, although some holders are asking 6c. cost and freight. It is said that there are not over 30,000 tons of Cuban raw sugar available. The supply of refined sugar is small and it is now said that Mr. Hoover may order a rationing of candy. The price of beet sugar and Hawaiian sugar has been fixed

by contract at 7.25c., Atlantic and seaboard basis from the factories. Allowing for freight differentials and handling charges, the retail prices should not exceed 8c. at San Francisco, 8½c. at Denver, 8¼c. at New Orleans and 8 1-16c. at Pittsburgh.

OILS.—Linseed lower; city, raw American seed, \$1 08@ \$1 10; Calcutta, \$1 40. Lard, prime, \$2@2 05. Coconut, Cochin, 21@22c.; Ceylon, 16c.; Palm, Lagos, 21c.; Soya bean, 15½@16c. Cod, domestic, 90@92c. Spirits of turpentine, 53½@54c. Strained rosin, common to good, \$6 80@6 85. Cottonseed oil closed higher on the spot at 18c. Cottonseed oil has been quiet, there being only small trade to liquidate contracts. Little hedging has been done in a narrow market. At Washington the regulation of the mills, dealers and others identified with the industry is under consideration with a view of bringing about a closer co-operation in handling and distributing the product. Closing prices are as follows:

October	cts 18.99@	January	cts 17.18@17.25	March	cts 17.10@17.20
November	17.40@17.55	Feb.	16.90@17.25	April	16.50@
Dec.	17.35@17.41			May	16.50@

PETROLEUM higher; refined in barrels, \$10 45@11 45; bulk, \$5 50@6 50; cases, \$15 50@16 50. Naphtha, 73 to 76 degrees, in 100-gallon drums and over, 47¼c. Gasoline, firm; motor gasoline, in steel barrels, to garages, 24c.; to consumers, 26c.; gasoline gas machine, steel, 41c.; 72 to 76 degrees, 28@32c. The mid-Continent September pipe line statistics show decreases in runs, shipments and stocks. Kansas wells are running to water and in the eastern field Kentucky is the centre of interest. In the Texas panhandle the best results have been obtained at Burkburnett, the best well being good for 700 barrels daily.

Pennsylvania	dark	\$3 50	North Lima	2 08	Illinois	above 30
Cabell	2 57	South Lima	2 08	degrees	\$2 12	
Mercer black	2 23	Indiana	1 98	Kansas and Okla-		
Orchiston	1 50	Princeton	2 12	homa	2 00	
Corning	2 60	Somerset, 32 deg.	2 40	Caddo, La., light	2 00	
Wooster	2 33	Ragland	1 10	Caddo, La., heavy	1 00	
Thrall	2 00	Electra	2 00	Canada	2 48	
Strawn	2 00	Moran	2 00	Healdton	1 20	
De Soto	1 90	Plymouth	2 03	Henrietta	2 00	

TOBACCO.—There has been a sharp demand for domestic cigar leaf and it is a difficult matter for packers to distribute the supply on a fair pro-rata basis, owing to the smallness of the supply. No one as yet has a clear idea of the size of the crop; it is too early to estimate it at all accurately. The fear is that it will be too small to meet the requirements. The killing frosts of September seem to have made that plain enough. Nor does there seem much prospect of very liberal supplies of Sumatra being obtained. Meanwhile Cuban leaf is in good demand and firm.

COPPER firm; electrolytic 23½c.; for fourth quarter electrolytic 23½c. has been more or less nominal, pending further developments. It looks as though there will be enough copper, but the question of reasonably prompt deliveries is one that is not so easily solved. The copper producers' committee is at work gathering data for the various companies as to their available output and also figures showing consumers' requirements. What the Government needs is pretty well known. The general price is 23½c. Ordinarily, deliveries to private consumers, of course, must wait on Government requirements, but the situation has been relieved by Government permission to producers to deliver their October copper. Just now the question of obtaining supplies overshadows the question of price. Lead lower on the spot at 6¼@7c., under sharp competition, the production exceeding consumption despite Government requirements. Tin higher on the spot at 61¼c. At one time trade was active, though latterly more quiet. London has advanced slightly; arrivals, 1,540 tons; afloat, 4,520 tons. Spelter lower on the spot at 8½@8¼c., pending price-fixing at Washington.

PIG IRON is still considered to be in a more or less unsatisfactory condition, although it is true that there has been more activity on the basis of tentative prices which have been fixed pending final adjustments of various differentials. All the new engagements have been on the basis of the established price of \$33 for No. 2 foundry and basic iron at the furnace. Bessemer iron for delivery this year has been sold at \$36 30 for Valley furnace, pending a definite adjustment; No. 2 X Philadelphia is quoted at \$33 75; basic, delivered in the eastern Penn., \$33 75; Bessemer at Pittsburgh, \$37 25; grey forge at Pittsburgh, \$32 75; No. 3 foundry, \$32 50; and malleable Bessemer at \$33 50 all per gross ton at Valley furnace. For Cleveland and Pittsburgh districts 95 cents per ton is added to these prices. Business still hangs fire, however. Some consumers are trying to resell part of their stocks. It is hoped that in the near future things will be working more smoothly. Some who bought iron at very much higher prices have tried without much success to have the price scaled down.

STEEL is still comparatively scarce so far as new private trade is concerned. Washington has reduced price about one-third of former quotations. In other words, the United States has reduced billets from \$70 a ton to \$51; wire rods from \$90 to \$57; steel bars from \$5 for 100 lbs. to \$3 25; The War Industries Board will supervise the output of steel mills to the end that the needs for the war may be supplied as rapidly as possible. Steel men are generally in accord in changes, although it, of course, means a reduction of profits. They concur cheerfully in the basis established of 2.90c. for bars, 3c. for shapes and 3½c. for plates, and they believe

that in the end it will work out successfully. Of course there is no such thing as satisfying everybody, but to have the whole question settled on a reasonably equitable basis is a decided change for the better from the prolonged period of uncertainty.

COTTON

Friday Night, Oct. 19 1917.

THE MOVEMENT OF THE CROP, as indicated by our telegrams from the South to-night, is given below. For the week ending this evening the total receipts have reached 235,539 bales, against 207,029 bales last week and 208,398 bales the previous week, making the total receipts since Aug. 1 1917 1,546,324 bales, against 2,237,852 bales for the same period of 1916, showing a decrease since Aug. 1 1917 of 691,528 bales.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	9,568	13,613	24,202	8,722	13,245	12,233	81,583
Texas City			395		413		808
Pt. Arthur, &c.						289	289
New Orleans	4,959	12,096	12,797	9,908	4,713	9,605	54,078
Mobile	805	514	452	1,652	219	1,250	4,892
Pensacola							
Jacksonville						2,200	2,200
Savannah	4,688	5,541	7,784	4,847	5,414	6,646	34,920
Brunswick						4,000	4,000
Charleston	2,007	2,676	2,759	2,469	2,332	3,868	16,111
Wilmington	490	1,290	1,776	1,719	930	1,370	7,575
Norfolk		2,451	803	4,977	2,735	3,021	13,987
N'port News, &c.						276	276
New York		141	7,884	50		25	8,100
Boston		177	15	134	1,039	679	2,044
Baltimore						4,243	4,243
Philadelphia	65		368				433
Totals this week.	22,582	38,499	59,235	34,478	31,040	49,705	235,539

The following shows the week's total receipts, the total since Aug. 1 1917 and the stocks to-night, compared with last year:

Receipts to Oct. 19.	1917.		1916.		Stock.	
	This Week.	Since Aug. 1 1917.	This Week.	Since Aug. 1 1916.	1917.	1916.
Galveston	81,583	556,833	125,300	903,976	170,104	370,424
Texas City	808	2,546	20,525	73,726	3,035	44,524
Pt. Arthur, &c.	289	9,594	178	3,026		
New Orleans	54,078	261,712	93,156	428,881	126,569	269,587
Mobile	4,892	30,399	2,612	44,723	13,172	10,131
Pensacola		1,155		6,705		
Jacksonville	2,200	12,368	4,379	20,728	8,500	4,957
Savannah	34,920	361,784	39,057	413,385	156,749	187,939
Brunswick	4,000	53,000	4,000	41,500	11,000	9,500
Charleston	16,111	66,188	10,175	69,016	45,198	66,869
Wilmington	7,575	29,662	5,696	51,536	37,399	47,667
Norfolk	13,987	58,605	28,089	151,164	32,794	65,708
N'port News, &c.	276	1,207		8,515		
New York	8,100	42,585	2,657	6,175	83,916	89,459
Boston	2,044	21,318	3,575	9,251	8,976	5,126
Baltimore	4,243	34,407	536	4,453	24,578	1,989
Philadelphia	433	2,961	562	1,092	5,943	1,472
Totals	235,539	1,546,324	340,497	2,237,852	727,933	1,175,352

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1917.	1916.	1915.	1914.	1913.	1912.
Galveston	81,583	125,300	96,986	121,979	113,671	180,414
Texas City, &c.	1,097	20,703	37,470	13,928	28,049	27,167
New Orleans	54,078	93,156	41,589	26,582	59,152	72,229
Mobile	4,892	2,612	3,593	4,837	24,762	12,824
Savannah	34,920	39,057	40,271	42,080	133,263	99,292
Brunswick	4,000	4,000	2,000	3,000	13,500	20,500
Charleston, &c.	16,111	10,175	18,986	7,665	32,870	23,067
Wilmington	7,575	5,696	13,893	5,961	34,529	22,190
Norfolk	13,987	28,089	19,281	9,745	30,339	33,159
N'port N., &c.	276		198	268	328	2,078
All others	17,020	11,709	3,643	4,022	18,159	20,015
Total this wk.	235,539	340,497	277,910	240,067	488,622	512,935
Since Aug. 1.	1,546,324	2,237,852	1,868,119	1,042,088	3,116,993	3,066,967

The exports for the week ending this evening reach a total of 160,192 bales, of which 92,055 were to Great Britain, 31,565 to France and 36,572 to other destinations. Exports for the week and since Aug. 1 1917 are as follows:

Exports from—	Week ending Oct. 19 1917.				From Aug. 1 1917 to Oct. 19 1917.			
	Great Britain.	France.	Other.	Total.	Great Britain.	France.	Other.	Total.
Galveston	23,427		10,150	33,577	229,191	26,755	68,972	325,918
Pt. Arth., &c.					5,492		2,017	7,509
New Orleans	15,934			15,934	176,862	38,917	8,650	224,429
Mobile					21,367			21,367
Pensacola					1,929			1,929
Savannah	15,234			15,234	73,282	42,732	40,051	156,065
Brunswick	1,910			1,910	61,074			61,074
Wilmington		17,072		17,072		28,218		28,218
Norfolk	4,149			4,149	19,401	21,000		40,401
New York	9,712	4,839	11,245	25,796	116,276	35,422	85,618	237,316
Boston	*14,504	*9,654	*900	*25,058	36,448	10,758	900	48,106
Baltimore	*5,917		*1,087	*7,004	37,869		3,418	41,287
Philadel'a.	*1,268			*1,268	4,301			4,301
San Fran			*2,950	*29,500			10,092	10,092
Washing'n			10,240	10,240			21,458	21,458
Detroit					956			956
Total	92,055	31,565	36,572	160,192	784,448	203,802	241,146	1,229,426
Total 1916.	67,412	53,219	34,860	155,491	675,482	213,342	455,695	1,342,519
Total 1915.	100,546	29,095	65,059	194,700	469,341	183,050	482,562	1,134,953

* Exports in September not previously reported.

† Including additions for September exports not heretofore available.

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

Oct. 19 at—	On Shipboard, Not Cleared for—					Leaving Stock.
	Great Britain.	France.	Ger-many.	Other Cont't.	Coast wise.	
Galveston	21,239			7,533	7,500	36,272
New Orleans	4,776			5,480	135	10,391
Savannah				2,000	5,000	7,000
Charleston						45,198
Mobile	749				1,400	2,149
Norfolk					120	120
New York	3,000	4,000		5,000		12,000
Other ports	9,000	4,000				13,000
Total 1917	38,764	8,000		20,013	14,155	80,932
Total 1916	119,926	18,289		57,209	32,638	228,062
Total 1915	34,996	21,972	100	57,550	13,444	128,062

Speculation in cotton for future delivery has been rather active at irregular prices, but, with the general trend upward. October touched the highest prices seen since the Civil War. Liverpool and American trade interests have been steady buyers. December has been a favorite purchase, but Liverpool has also bought January, March and May. The tendency is to cut down crop estimates anywhere from 500,000 to 1,000,000 bales owing to the recent killing frost over much of the belt on Oct. 8 and Oct. 9. That is earlier than usual. At the same time the crop started later than usual, and it has kept late. So that between a late start and an early frost bulls figure that the crop is in a pretty bad way. In other words it is a case of the third short crop in succession. The last Government crop estimate on Oct. 2 was 12,047,000 bales exclusive of linters. Some in the South maintain that the yield is under 11,000,000 bales exclusive of linters. Estimates are heard as low as 10,685,000 bales. This is cited merely as showing the drift of the talk growing out of the early frost date. Not that the generality of people think that any such damage as this was done. In any case it is always or nearly always exaggerated. But the conviction is widespread and apparently deep-seated that for the third year there has been a semi-failure of the crop just at the time when a good crop is needed. And the fact is not lost sight of that within a year there may be peace or the beginning of negotiations looking towards peace, with all that that implies in the way of preparations for the great event and the restoration of the lost market for American cotton in the Central Empires and also in northern France, so long held by the invader. Meanwhile spot markets are reported strong with the basis high. So confident apparently is the South that the price is going to 30 cents that there is a good deal of buying of spot cotton on speculation. And the consumption in this country is exceeding even the large figures of a year ago. That is naturally considered significant. Stocks in consumers' hands on Sept. 30, moreover, were only 959,324 bales, according to the Census Bureau, showing a steady decrease for several months past and a falling off compared with last year of some 368,000 bales. Stocks in public storage and compresses doubled during September, but are considerably less than a year ago. The quantity brought into sight is well under that of last year. The crop movement is disappointingly small in cotton as in the grain trade, and for the double reason that these products are being held back by farmers and that marketing is retarded by car shortage. On the other hand, many think the bullish factors in the situation have been amply discounted by the recent rise of between eight and nine cents per pound. They also believe that the damage done by the recent frost is exaggerated. They look for a sharp increase in the crop movement before long and with it a notable increase of hedge selling, with no general speculation to help take care of the hedges. The trading now in progress is mostly confined to wealthy interests, speculative and commercial. Most people are afraid to speculate on the bull side with the price the highest seen for the last half century or more. Others do not like the report of widespread speculation in spot cotton at the South. They think that sooner or later it will mean a bad break in the price. That has happened before. Latterly, moreover, the weather has been good for picking and ginning. A big increase in ginning in Texas is looked for in the next Census statement. The New York stock is steadily increasing. There are persistent reports that it is difficult to get ocean tonnage at the South for new export business. And there was a rumor the other day that Germany intends to declare the United States, Canada and Cuba in the war zone, and, inferentially, attempt to blockade them with U-boats. Also, at times the depression in the stock market has had a very noticeable effect. The fluctuations in cotton, too, have been so wild that on this account alone many have held aloof from the market. To-day prices were at one time \$1 to \$1 50 a bale higher, owing to predictions of killing frost in Alabama, Mississippi, Arkansas and some parts of Georgia, with much colder weather in the Carolinas. But on the rise there was heavy selling. Wall Street, uptown interests and the West all sold, especially Wall Street. The market had become long. On a rise of over 8 cents, the technical position is supposed to have become weakened by the weeking out of the shorts and the expansion of the long account. Still, the market ended a trifle higher for the day. Liverpool and American trade interests are steady buyers. Middling uplands closed at 28.65c., a rise of 100 points for the week.

The official quotation for middling upland cotton in the New York market each day for the past week has been:

Oct. 13 to Oct. 19—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands	Hol.	28.00	28.45	28.45	28.65	28.65

are reported in north and northwestern Texas, and advices from Oklahoma refer to killing frosts at a number of points.

Galveston, Tex.—Cool weather prevailed during the opening days of the week, with freezing temperatures and light frosts in North and Northwestern Texas. At the close the weather was mostly favorable for picking which made good progress. We have had rain on three days during the week, the rainfall being one inch. The thermometer has averaged 67, ranging from 54 to 80.

Abilene, Tex.—We have had no rain during the week. The thermometer has ranged from 32 to 96, averaging 64.

Brenham, Tex.—We have had rain on one day of the week, the precipitation being thirty-eight hundredths of an inch. Average thermometer 68, highest 92, lowest 44.

Brownsville, Tex.—There has been no rain during the week. The thermometer has averaged 73, the highest being 94 and the lowest 52.

Cuero, Tex.—We have had rain on one day during the week the rainfall being nine hundredths of an inch. The thermometer has averaged 69, ranging from 44 to 93.

Dallas, Tex.—There has been a trace of rain on one day of the week. The thermometer has ranged from 36 to 86, averaging 61.

Fort Worth, Tex.—We have had no rain during the week the precipitation being thirteen hundredths of an inch. Average thermometer 65, highest 95, lowest 40.

Henrietta, Tex.—There has been no rain during the week. The thermometer has averaged 64, the highest being 100 and the lowest 28.

Huntsville, Tex.—Dry all the week. The thermometer has averaged 69, ranging from 44 to 94.

Kerrville, Tex.—It has been dry all the week. The thermometer has ranged from 35 to 90, averaging 63.

Lampasas, Tex.—We have had rain on one day of the week, the precipitation being two hundredths of an inch. Average thermometer 66, highest 94, lowest 38.

Longview, Tex.—There has been rain on one day of the past week, the rainfall being twelve hundredths of an inch. The thermometer has averaged 63, the highest being 87 and the lowest 38.

Luling, Tex.—There has been rain on one day during the week, the rainfall reaching forty-eight hundredths of an inch. The thermometer has averaged 70, ranging from 48 to 91.

Nacogdoches, Tex.—Dry all the week. The thermometer has ranged from 37 to 87, averaging 62.

Palestine, Tex.—Rain has fallen on one day of the week, the precipitation being twelve hundredths of an inch. Average thermometer 63, highest 86, lowest 40.

Paris, Tex.—There has been rain on one day during the week, the rainfall being one hundredth of an inch. The thermometer has averaged 61, the highest being 90 and the lowest 32.

San Antonio, Tex.—We have had rain on one day during the week, the rainfall being forty-four hundredths of an inch. The thermometer has averaged 66, ranging from 44 to 88.

Weatherford, Tex.—Dry all the week. The thermometer has ranged from 38 to 86, averaging 63.

Ardmore, Okla.—We have had no rain the past week. Average thermometer 65, highest 92, lowest 29.

Muskogee, Okla.—There has been rain on one day during the week, the rainfall being nine hundredths of an inch. The thermometer has averaged 60, the highest being 92 and the lowest 26.

Eldorado, Ark.—Rain has fallen on one day of the week, the precipitation reaching twenty-eight hundredths of an inch. The thermometer has averaged 62, ranging from 35 to 89.

Little Rock, Ark.—We have had rain on one day during the week, the rainfall being thirty-three hundredths of an inch. The thermometer has ranged from 39 to 83, averaging 62.

New Orleans, La.—We have had rain on two days of the week, to the extent of eight hundredths of an inch. Average thermometer 70.

Shreveport, La.—There has been light rain on one day of the past week, the rainfall being one hundredth of an inch. The thermometer has averaged 65, the highest being 85 and the lowest 44.

Columbus, Miss.—There has been rain on one day during the week, the rainfall reaching forty-eight hundredths of an inch. The thermometer has averaged 60, ranging from 30 to 90.

Vicksburg, Miss.—It has rained on one day of the week, the precipitation being nineteen hundredths of an inch. The thermometer has ranged from 43 to 86, averaging 65.

Mobile, Ala.—Remnant of the crop is being picked, and ginning continues brisk. There has been rain on one day during the week, the precipitation reaching five hundredths of an inch. Minimum thermometer 48, maximum 85, mean 70.

Selma, Ala.—There has been rain on one day during the week, the rainfall being thirty hundredths of an inch. The thermometer has averaged 61, the highest being 82 and the lowest 37.

Madison, Fla.—Rain has fallen on three days of the week, the precipitation reaching one inch and twelve hundredths. The thermometer has averaged 68, ranging from 51 to 85.

Albany, Ga.—There has been rain on one day of the week, the rainfall reaching ten hundredths of an inch. The thermometer has ranged from 44 to 91, averaging 68.

Savannah, Ga.—There has been only a trace of rain on one day during the week. Average thermometer 68, highest 80, lowest 51.

Charleston, S. C.—There has been no rain during the week. The thermometer has averaged 66, the highest being 78 and the lowest 53.

Greenville, S. C.—Rain has fallen on one day of the week, the precipitation reaching thirty-five hundredths of an inch. The thermometer has averaged 59, ranging from 33 to 84.

Charlotte, N. C.—No killing frost yet. There has been rain on one day during the week to an inappreciable extent. The thermometer has averaged 60, the highest being 82 and the lowest 39.

Memphis, Tenn.—There has been rain on one day during the week, the rainfall being twenty-four hundredths of an inch. Average thermometer 59, highest 84, lowest 34.

QUOTATIONS FORMIDDLING COTTON AT OTHER MARKETS.—Below are the closing quotations of middling cotton at Southern and other principal cotton markets for each day of the week.

Week ending Oct. 19.	Closing Quotations for Middling Cotton on—					
	Saturday, Oct. 13.	Monday, Oct. 15.	Tuesday, Oct. 16.	Wed'day, Oct. 17.	Thurs'd'y, Oct. 18.	Friday, Oct. 19.
Galveston	27.15	27.45	27.45	27.60	27.60	27.60
New Orleans	27.13	27.13	27.13	27.13	27.25	27.25
Mobile	26.88	27.00	27.52	27.38	27.50	27.50
Savannah	27 3/4	27 3/4	27 3/4	27 3/4	27 3/4	27 3/4
Charleston	27 1/2	27 1/2	27 1/2 @ 1/2	27 1/2	27 1/2	27 1/2
Wilmington	27	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2
Norfolk	27.25	27.00	27.88	27.88	27.88	27.88
Baltimore	27.25	27.25	27.75	28.00	28.25	28.25
Philadelphia	28.25	28.70	28.70	28.90	28.90	28.90
Augusta	27.25	27.63	27.50	27.69	27.69	27.69
Memphis	27.50	28.50	28.50	28.50	28.50	28.50
Dallas	26.15	26.70	26.70	26.85	26.95	26.95
Houston	26.65	27.30	27.27	27.35	27.35	27.35
Little Rock	26.75	27.18	27.37	27.37	27.50	27.50

NEW ORLEANS CONTRACT MARKET.—The highest, lowest and closing quotations for leading contracts in the New Orleans cotton market for the past week have been as follows:

	Saturday, Oct. 13.	Monday, Oct. 15.	Tuesday, Oct. 16.	Wed'day, Oct. 17.	Thurs'd'y, Oct. 18.	Friday, Oct. 19.
October—						
Range	26.46-30	26.49-40	27.12-37	27.19-35	27.42-55	27.42-55
Closing	26.46	27.23-30	27.11	27.30-35	27.48-50	27.48-50
December—						
Range	25.39-00	25.25-05	25.59-10	25.79-15	25.93-32	25.93-32
Closing	25.40-48	25.89-92	25.76-79	26.95-01	26.24-28	26.24-28
January—						
Range	25.36-06	25.20-00	25.62-10	25.80-11	25.80-11	25.80-11
Closing	25.45-47	25.86-90	25.78-80	25.93-97	26.03-07	26.03-07
March—						
Range	25.50-31	25.35-13	25.81-24	25.97-20	25.89-20	25.89-20
Closing	25.50-55	26.05-07	25.96-99	26.02-06	26.03-07	26.03-07
May—						
Range	25.61-33	25.49-19	25.90-27	26.03-23	25.93-20	25.93-20
Closing	25.61-64	26.17-18	26.01-03	26.03-04	26.03-05	26.03-05
Tone—						
Spot		Firm	Firm	Firm	Steady	Steady
Options		Irreg.	Irreg.	Steady	Steady	Steady

COTTON STATISTICS FOR WEEK ENDING OCT. 12.—Last Friday having been a holiday (Columbus Day), we went to press on Thursday night, and our cotton statistics, therefore, covered an imperfect week. We have this week, however, revised all the results so as to make them cover the full week ending Friday, Oct. 12, and they are as follows:

	Week Oct. 12.	Since Aug. 1.
Net receipts	207,029	1,310,785
Stock at U. S. ports	633,692	—
Foreign exports	124,539	1,067,100
Visible supply	3,097,429	—
American visible	2,043,429	—
Interior town receipts	272,411	1,429,067
Interior town shipments	166,985	—
Interior town stocks	544,591	—
Receipts from plantations	312,455	1,500,434
Net overland	29,164	161,639
Southern consumption	88,000	927,000
Interior stock increase	105,426	189,649
Into sight	429,619	2,589,073
Northern spinners' takings	27,942	284,319
World's takings	318,283	2,632,420
American takings	230,283	2,065,420
Other takings	88,000	567,000

COTTON, CONSUMPTION AND OVERLAND MOVEMENT, TO, OCT. 1.—Below we present a synopsis of the crop, movement, for the month of September and the two months ended Sept. 30 for three years:

	1917.	1916.	1915.
Gross overland for September	100,236	90,093	50,684
Gross overland for two months	253,755	153,612	95,709
Net overland for September	37,206	63,092	28,291
Net overland for two months	121,076	100,896	64,142
Port receipts in September	634,288	959,247	842,378
Port receipts in two months	929,597	1,292,556	975,220
Exports in September	412,998	493,588	435,710
Exports in two months	856,990	858,170	594,522
Port stocks on Sept. 30	569,006	826,386	986,275
Northern spinners' takings to Oct. 1	206,468	245,408	224,669
Southern consumption to Oct. 1	765,000	688,000	565,000
Overland to Canada for two months (included in net overland)	16,898	9,968	9,399
Burnt North and South in two months	24,305	12,827	12,068
Stock at North'n interior markets Sept. 30	1,159,327	1,814,339	1,354,669
Came in sight during September	1,830,452	2,445,452	1,769,362
Amount of crop in sight Sept. 30	—	10,530,117	11,184,088
Came in sight balance of season	—	12,975,569	12,953,450
Total crop	—	—	—
Average gross weight of bales	513.34	515.39	509.87
Average net weight of bales	488.34	490.39	484.87

OCT 22 1917

THREE SECTIONS—SECTION TWO

RAILWAY EARNINGS

SECTION OF THE COMMERCIAL & FINANCIAL CHRONICLE

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VOL. 105.

NEW YORK, OCTOBER 20, 1917.

NO. 2730.

THIS entire publication is devoted to a presentation of the reports of earnings and expenses of United States railroads for the latest month (August) and for the fiscal year to date, including said month. The table embraces every steam operating railroad in the country which is obliged to make monthly reports to the Inter-State Commerce Commission at Washington. Up to Jan. 1 1912 the Commission required monthly returns from every road, no matter how small its earnings. Since that date roads earning less than \$100,000 per annum have been relieved from the necessity of filing returns. Leased lines not operating their own roads do not make returns.

Sworn Returns. The figures are a transcript of the sworn returns on file at Washington. They have the further advantage of uniformity of method and classification. Every company is obliged to make up its returns on the same basis and in the same way as every other company.

Earnings Our Specialty. The "Chronicle" has always made a specialty of weekly and monthly reports of railroad earnings, and for over forty-five years its weekly and monthly summaries have been everywhere accepted as authoritative. The present publication is in continuation of this work and to aid the Inter-State Commerce Commission in the one direction in which lies its chief usefulness—the field of publicity.

Full Details. These Inter-State Commerce returns also make it possible for us to present full details of both the revenues and expenses. Besides reporting total gross earnings, we show separately the passenger and the freight revenues. In the case of the expenditures we report the outlays for both maintenance of way and maintenance of equipment as well as the traffic and transportation expenses. We also show the net revenue from outside operations. Lastly, we give the taxes and the miles of road on which the earnings are based.

Cents Discarded. The cents we have necessarily been obliged to discard altogether, and if in any case the results should happen to vary a dollar, one way or the other, from exact proof, the reason for the variance will be found in that circumstance.

Company Returns Also Given. To make this publication absolutely complete, we add several pages at the end to show also the figures issued by the companies themselves, where they are made up on a basis different from that of the Commerce returns, or where they give fixed charges in addition to earnings, or where they have a separate and distinct fiscal year.

Former Returns to be Continued. The matter contained in this extra and novel publication is entirely additional to the comprehensive reports of earnings we furnish in the "Chronicle" from week to week. All the returns of the leading roads, and also all weekly figures of gross earnings, are printed regularly and promptly in the "Chronicle" as soon as received. But in addition we issue once a month—say about the 20th—this special publication, furnishing a sort of compendium of earnings in which we bring together all the returns for the latest month for which the statistics are available.

Only for Subscribers. As in the case of our numerous other Supplements or "Sections," all of which are expensive publications, the "Railway Earnings Section" will be furnished only to "Chronicle" subscribers. These will receive it free of charge, one copy going with each subscription. It will be impossible to obtain copies in any other way, as none will be printed for general sale.

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